Daily Report

Latin America

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FBIS-LAT-90-084 *1 May 1990*

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Brazilian Police Chief on Antidrug Struggle

PY2704150090 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 27 Apr 90

[Text] During an international conference in Mexico on the struggle against drug trafficking, Police Chief Romeu Tuma said that drug prevention and the antidrug struggle are priorities of the Collor administration.

According to Tuma, the Collor administration will strike a harsh blow against drug traffickers on 2 May when the government will proceed to dynamite 70 landing strips on the Ianomani Indian reservation.

Romeu Tuma added that the landing strips used by gold miners were also being used by the Medellin Cartel. He said the Medellin Cartel used the landing strips to send cocaine to Suranime. From this point, the cocaine was transported to Europe and the United States.

In addition to discussing the work that the federal police are carrying out in Brazil, Tuma urged all countries participating in the conference to control the route of precursor chemicals used in cocaine production such as ether, acetone, sulphuric acid, and potassium permanganate. He said authorities should strive to learn who purchases these chemicals, how much is bought, who sells them, and how the chemicals are transported.

Cuba

Ministry Warns of Dangers of U.S. Maneuvers

FL3004180890 Havana Radio Rebelde Network in Spanish 1021 GMT 30 Apr 90

[From the "Haciendo Radio" program]

[Text] The United States is conducting large war maneuvers aimed at Cuba. Three military maneuvers will take place at the beginning of May that include practicing aggression against our fatherland.

For several years, between the months of April and June, U.S. Armed Forces have conducted large maneuvers in the Caribbean region. Last year they successively conducted the Solid Shield maneuver, which alternates yearly with Ocean Venture in which, similarly to the last one, they practiced moving large groups of warships and naval and airborne landings. The other maneuver was called Global Shield, in which they practiced nuclear war and a massive air strike against Cuba on 20 May 1989, the details of which were revealed by BASTION on the 25th of that very month.

In this context, the Ocean Venture exercise began on 20 April 1990 and is currently in progress. It has been learned that as part of this maneuver, airborne and naval landings will begin next week, presumably in Puerto Rico. In another stage of Ocean Venture and in other naval maneuvers at Guantanamo Naval Base, the United States is also planning to conduct defense exercises of the type known as Defex. This exercise includes the evacuation of civilian personnel from that installation, similar to the one reported in BASTION on 3 March 1990.

The arrival yesterday morning, Saturday, 28 April, of an LPD amphibious transport ship and two military transport planes may be related to the arrival of reinforcements at Guantanamo Naval Base. In addition to this ship, two other LST ships, used to land tanks, are also located at the Navy installation.

At the beginning of May, Ocean Venture, whose most active stage will likely take place 1-5 May, the Defex exercise at Guantanamo Naval Base, and, in continuation or simultaneously, the Global Shield strategic maneuver, will all coincide for the first time. This coincidence is strange and dangerous. Parts of these maneuvers are being conducted in absolute secrecy.

Under the present circumstances; following the changes that have taken place in Eastern Europe making the Warsaw Pact virtually nonexistent; amid a climate of detente and the process of negotiation between the Governments of the USSR and the United States; when the Bush administration has set up a docile and subservient government established by Yankee bayonets, and as a new government begins its term in office in Nicaragua after the electoral setback of the Sandinist Front; this spectacular deployment of war forces and means is completely unjustified.

The simultaneous or successive realization of the aforementioned exercises, above all the Global Shield strategic maneuver, allows for the deployment of the 82d Airborne Division, the 101st Air Assault Division, and the 24th Mechanized Infantry Division, among other large U.S. Armed Forces units, in the nearby or immediate vicinity of Cuban national territory. The exercises include the participation of hundreds of airplanes, including BIB [as heard] and B-52 fighter planes and strategic bombers, as well as several warships like the BB-64 battleship Wisconsin.

This represents a dangerous situation that can only be comprehended in light of the growing hostility and continuous aggressive and provoking actions of the U.S. Government against Cuba, which is the case with the attempt to impose a television signal that violates the sovereignty of the Cuban state.

The Revolutionary Armed Forces [FAR] thus fulfills its duty of alerting the national and international public regarding the dangers arising from this escalation of pressures and threats that extraordinarily complicates the situation in the area, creates new and growing tensions, and raises the possibility that the U.S. Government is planning an attack against Cuba.

As a result, measures against this situation have been adopted in the past few hours to block the path of a treacherous surprise attack. Our Armed Forces and people will also conduct pertinent exercises and maneuvers.

[Signed] FAR Ministry.

Attack Would Be 'Historical Mistake'

FL3004221990 Havana Radio Rebelde Network in Spanish 1700 GMT 30 Apr 90

[Station commentary]

[Text] The possibility that the U.S. Government may be hatching an attack on Cuba is real.

The immediate carrying out of three large war maneuvers directed against Cuba seems to be a clearly aggressive plot devised by the current U.S. Administration. If that plot is carried out, it would be one of the most costly mistakes ever made by Yankee imperialism.

Beginning tomorrow and until Saturday, 5 May, the U.S. Army will conduct the Ocean Venture, Solid Shield, and Global Shield maneuvers in a simultaneous or consecutive manner. Elite troops, hundreds of planes, numerous warships, experts, and other resources in excess will participate in the maneuvers.

Although it is true that for several years the U.S. Armed Forces have been carrying out this type of maneuvers,

they have never conducted the maneuvers either simultaneously or consecutively. In addition, during the last few months the Bush administration has been deploying warships near Guantanamo Navy Base as part of what seemed at first to be an intimidatory maneuver, and now, a clearly strategic one. There is not one single reason for the United States to conduct such large and impressive war maneuvers.

Considering the current situation in Eastern Europe,—which has practically put an end to the Warsaw Pact; the continued talks between the United States and the USSR for the follow-up of the process of detente; the imposition of a puppet and servile government in Panama; and the inauguration of a new pro-Yankee government in Nicaragua; this warmongering display [the U.S. maneuvers] has no reason, justification, or pretext unless it is aimed at our country.

In view of the increasing Yankee hostility and based on very aggressive statements made by U.S. President George Bush and on his continuous actions to destroy the Cuban revolution—the most recent example of which is the ill-named TV Marti—we believe that the empire is up to something.

To carry out a military attack on Cuba, which is prepared for the war of all the people, would be a historical mistake and—saying this without chauvinism—it would also be a true holocaust for the Yankees. Cuba is attentive and alert. Cubans sleep next to their oiled and clean rifles.

This island will sink into the water before becoming anyone's slave again. The order for combat is always ready here in Cuba.

Soviet Envoy Discusses Bilateral Cooperation

FL0105031890 Havana Television Service in Spanish 0000 GMT 1 May 90

[Text] Soviet Ambassador to Cuba Yuriy Petrov made statements at the Cuban Foreign Affairs amphitheater today.

In his statements, Petrov discussed aspects linked to the 30 years of resumed diplomatic relations between Cuba and the USSR, which will be commemorated on 8 May. Cuban Foreign Minister Isidoro Malmierca was present at the ceremony.

[Begin Petrov recording, in Russian with simultaneous Spanish translation] Today, [words indistinct] our relations and ties are a true example of how relations between two countries should be established and developed.

Both Cuba and the USSR have experienced and conducted our revolutions and have learned to defend them. We have demonstrated that we can defend our ideals and future. [end recording]

After stressing that the Soviet Embassy in Cuba is working on the development of constructive relations with Cuba, Petrov said: We must advance and think about the future. We will continue struggling to gain new experiences and increase our achievements.

Petrov also referred to the importance that the Soviet-Cuban economic cooperation currently has in the relations between our two countries. Ambassador Petrov discussed the prospects that trade exchange offers based on past experiences and the changes that are taking place in the two countries.

[Begin Petrov recording] We have lived through 30 years of common struggle and exemplary cooperation. Our embassy gives special attention to our economic cooperation. I believe we must start looking for new paths and scopes in the area of cooperation because there is a wide range of things to do here in Cuba. There is a great deal of work to do in light of the processes that are taking place in our country, and with a view to the strengthening of the process of rectification in Cuba, which will stress various fields of our cooperation and which will promote the appearance of new possibilities.

The most important aspect of our economic cooperation is of course to increase its efficiency. In brief, we have a lot of work to do regarding economic cooperation between our two countries. [end recording]

Canadian Official Meets With Fidel Castro

FL0105002590 Havana Radio Rebelde Network in Spanish 2300 GMT 30 Apr 90

[Text] This weekend in Havana, President Fidel Castro received Louise Frechette, Canadian deputy foreign minister for Latin America and the Caribbean. The deputy foreign minister told the press that they dealt with bilateral topics, the situation in Cuba, and international policy. The Canadian visitor said the conversation with Fidel lasted three hours, that it was very friendly, and was based on sincere and open exchanges. She added that her conversation with Fidel allowed her a much greater understanding of his views on the Cuban situation and stand, especially on Latin America.

During her stay in Cuba, the Canadian deputy foreign minister also met with Vice Presidents Carlos Rafael Rodriguez and Jose Ramon Fernandez as well as with the heads of the Foreign Trade Ministry, State Committee for Economic Cooperation, National Bank, Foreign Ministry, and of tourism.

Ends Five-Day Visit

FL3004141990 Havana Tele Rebelde Network in Spanish 1100 GMT 30 Apr 90

[Text] Canadian Deputy Foreign Minister Louise Frechette has ended a five-day visit to Cuba. The Canadian delegation also included (Jacob Verted), Foreign Ministry director; and (David Morrison), Cuba specialist from the Canadian Foreign Ministry. The distinguished

visitors were accompanied to the Jose Marti International Airport by German Blanco, director of the North America Directorate of the Cuban Foreign Ministry [Minrex]; Bienvenido Garcia, chief the Minrex Department [as heard]; and Robert Middleton, Canadian ambassador to Cuba.

While in Cuba, Mrs. Frechette held talks with Carlos Rafael Rodriguez, vice president of the Cuban Councils of State and Ministers; Isidoro Malmierca, Cuban foreign minister; and other leaders of the Cuban state. During the talks the participants analyzed the principal aspects of bilateral relations and other matters pertaining to the international political situation.

The Canadian deputy minister also toured the construction sites of the Pan-American Games and the historic area of Havana City.

GDR's Bergmann-Pohl Meets Cuban Counterpart

AU3004154890 East Berlin NEUE ZEIT in German 28 Apr 90 p 1

[Report by NZ/ADN: "Bergmann-Pohl Met Head of Parliament"]

[Text] Havana—Sabine Bergmann-Pohl, president of the GDR People's Chamber, met with Juan Escalona, president of the Cuban National Assembly, during a stopover in Havana. Bergmann-Pohl stated that she briefed her Cuban host on her impressions in Managua, where she conducted talks with President Violeta Barrios de Chamorro the same day.

Almeida Attends Parliament Session in Uganda

FL0105015090 Havana Radio Rebelde Network in Spanish 2303 GMT 30 Apr 90

[Text] Ugandan President Yoweri Museveni has given his categorical support of Cuba's participation in the liberation of Angola. Museveni spoke at a Parliament session during which Cuban Vice President Juan Almeida Bosque was present. The Ugandan president said literally: The Cubans helped us defeat our enemies in Angola and helped stop the growth of Bantustans in that country. This is why the Cuban revolution has all our support.

After stressing Almeida's revolutionary personality, the Ugandan chief of state characterized relations between his country and Cuba as excellent. He then said: We hope that these ties will strengthen, and added: I take this opportunity to salute Cuba's participation in the history of Africa.

Chilean Institute Founded To Promote Relations

FL0105025190 Havana Radio Rebelde Network in Spanish 1700 GMT 30 Apr 90

[Report by Sergio Campos from Chile]

[Text] A group of Chilean political and labor leaders have founded the Jose Marti Cultural Relations Institute with the intention of contributing to the prompt resumption of diplomatic relations between the two countries through cooperation between and rapprochement of the Cuban and Chilean peoples.

The new institute was inaugurated during a ceremony held in Santiago and presided over by the organizing committee, comprising labor leader Manuel Rodriguez, socialist leader Denis Pascal, former communist deputy Eduardo Contreras, and MIR [Movement of the Revolutionary Left] leader Gaston Munoz.

Rodriguez said that the inauguration of the new institute represents the desires of a very representative group of Chilean friends of Cuba. He added that this initiative was realized for various reasons, including the historical ties that have linked the Cuban and Chilean peoples for over one century, their traditional friendship and cooperation, and the fact that at present international social order is based on cooperation and detente.

The organizing committee also stated that the institute will have an ad honorem presidency composed of Chilean politicians, intellectuals, and scientists.

Raul Castro Addresses 2d UCJ-FAR Meeting

FL0105013890 Havana Television Service in Spanish 1700 GMT 29 Apr 90

[Text] Commander in Chief Fidel Castro, first secretary of the Cuban Communist Party [PCC] Central Committee and president of the Councils of State and Ministers, has addressed the delegates and guests at the second meeting of leaders and militants of the Union of Young Communists [UJC] in the Revolutionary Armed Forces [FAR]. The meeting was closed at the Universal Room of the FAR on the night of 28 April.

While summarizing the results of the UJC-FAR meeting, Army General Raul Castro Ruz, second secretary of the PCC Central Committee and minister of the FAR, praised the work conducted by the UJC within the FAR:

[Begin Raul Castro recording] During our discussions, we have openly confronted all problems and we have suggested various solutions to them. That honest and clear way in which you have expressed your views and opinions truly confirms what I stated during your pre

vious meeting. I said that democracy within our party and within the UJC in the FAR is not only possible, but necessary.

Similarly, I reassert my conviction that we must trust our youth and that we must continue promoting its most extended participation in our tasks to improve our military and political development. We must continue struggling against the obstacles that still lie ahead of us and that could delay our political and military development.

The UJC in the FAR has succeeded in ridding itself of the errors that we had pointed out as its serious faults at work. The UJC is now ready to go on to a superior phase. I am sure that we will go on to that phase without making a spectacular show, but with firm and secure steps. [end recording]

The UJC-FAR meeting ended with the presentation of banners and awards to the best units of the UJC in the FAR. The Cuban military mission in Angola obtained the most important award, although it was difficult to choose the best unit. Many initiatives have been carried out since the UJC-FAR meeting was convoked. The Model Union, the Model Technical, and the Combatant 31 and Onward youth movements, as well as many others, also received awards.

The meeting's slogan was: To give and not to ask. For that reason, the Technical Youth Brigades performed tasks such as repair projects, saving of material, and the replacement of imported goods. The UJC-FAR meeting also promoted reforestation and the country's food program. The youths also encouraged combative readiness and disposition. The UJC delegates, however, said that there are still many things to do to improve work methods and styles to eliminate formalisms and old systems.

In brief, the UJC-FAR meeting was an exchange of experiences that benefited the FAR, and a working meeting of revolutionary reaffirmation in harmony with the new times.

Fidel Castro Closes Meeting

FL3004220590 Havana Television Service in Spanish 0000 GMT 29 Apr 90

[Italicized passages are recorded]

[Text] [Announcer] Our Commander in Chief Fidel Castro is closing at this time the second meeting of leaders and members of the Union of Young Communists [UJC] in the Revolutionary Armed Forces [FAR].

[Crowd chants: Fidel! Fidel! Fidel!] [Fidel Castro]*I know that the young people are not discouraged if they are told they are living exceptional times. I believe that they would be discouraged if they were told we are living ordinary times; without problems, without worries, without risks.*

It has been said more than once that we are living exceptional times but that it is a matter of having exceptional times inside our country. Of course, exceptional times such as the October crisis, have shaken the world. The development of that situation involved practically all of mankind. The exceptional time to which I am referring is of another nature. It is a truly exceptional time in terms of the role of our country. [crowd chants indistinct words]

[Announcer] Army General Raul Castro Ruz also gave his assessment of these two days during which the youth organization's future line of work in the FAR was clearly outlined.

[Raul Castro] *Thanks to all the efforts and intelligence demonstrated, it is possible to give assurance today that the UJC is on the offensive. As I have said other times, we must consolidate millimeter by millimeter what has been achieved, and we must continue to go forward.*

[Announcer] Minutes before, it was announced that the Cuban military mission in Angola received the best command status in the work of the UJC in the FAR.

[Leopolodo Cintra Frias] *On behalf of the generals, officers, sergeants, and soldiers who compose the Cuban military mission in Angola, I receive the historic Cuban flag that accompanied the first group of internationalist combatants that arrived in Angola in 1975.*

[Announcer] The rearguard chiefs, the FAR's General Antonio Maceo Interservice School, and Holguin's Camilo Cienfuegos Military School also received awards. Other commands and units received the outstanding status. Seventeen promotions to the next higher rank were presented during the meeting. These combatants have devoted all their work to the benefit of systematic combative training. Thirty eight others were given the FAR Distinguished Service Award for their most recent meritorious results.

Perhaps the most significant moments were when Corporal Duanis Fuentes made remarks as she handed over diplomas recognizing those who are opening an exemplary road in leadership goals.

[Fuentes] *Thirty-one! [crowd responds: And onward!] Thirty-two, nobody surrendered here! [crowd joins in, saying: Nobody surrendered here!] Thirty-three! [crowd responds: We will be like Che!] Thirty-four, go ahead Fidel Castro! [crowd joins in saying: Go ahead Fidel Castro!] Thirty-five, and onward! [applause]*

Arrival of U.S. Navy Ships at Guantanamo Noted

FL0105113090 Havana Television Service in Spanish 1100 GMT 1 May 90

[Excerpt] The official organ of the Revolutionary Armed Forces, BASTION, in its Monday, 30 April edition, reports that more undesirables once again have arrived at the Guantanamo Naval Base. They were observed by our explorers of the Border Brigade.

At 0711, the U.S. frigate, FF-1059 W.S. Sims, arrived at that naval installation and the AE-23 Nitro-class munition ship arrived at 1200. These ships are in addition to the other 10 ships already at that installation. [passage omitted included indistinct portions]

Electric Power Supply Restrictions Announced

FL0105022690 Havana Radio Rebelde Network in Spanish 2347 GMT 30 Apr 90

[Text] Restrictions in the electric power supply will be implemented in Havana during peak hours beginning on 2 May. This was reported by Engineer Sandra Gonzalez, chief of the Energy Directorate of the People's Government in the province. After referring to the difficulties being faced by some generator plants, such as that of Antonio Guiteras in Matanzas, one of the most powerful and efficient plants in the national electric-power system in the country, the specialist explained that a maximum daily demand of approximately 430 megawatts has been fixed for next month. This amount should not be exceeded. She added that this measure will be strictly observed.

The people's government and the electric power enterprise will check each municipality's behavior daily. Electric power will be immediately suspended as a sanction against those who consume more. The specialist insisted on the importance of the population's cooperation in not using, between 1830 and 2230, appliances that consume much electricity such as washing machines and irons, among others.

She also noted that numerous measures are implemented in the province to reduce consumption of electric power in the state sector. She stressed that 8,264 less tons of fuel were consumed during the January-March quarter. However, individually, City Buses, Hilatec, Caribe Shipping, and Truck Cargo reported excessive consumption.

Castro Attends Sylvio Rodriguez Concert

FL0105023990 Havana Tele Rebelde Network in Spanish 1100 GMT 29 Apr 90

[Text] Commander in Chief Fidel Castro attended last night the concert called The Song of the Fatherland is Our Song performed by Sylvio Rodriguez and Irakere at the Latin American Stadium in our capital. Before a crowd of some 100,000 people, Roberto Robaina, first secretary of the Union of Young Communists [UJC], was given the UJC honor banner received in 1987 by the group of troops that defended the land attacked by South African racism in the south of the People's Republic of Angola. In addition, Sylvio presented to the youths and his people several arts and crafts objects and a portrait of President Salvador Allende given to him by political prisoners of the Santiago de Chile prison.

Dominica

Parliament Dissolved; Elections Within 3 Months

FL3004135390 Bridgetown CANA in English 1230 GMT 30 Apr 90

[Text] Roseau, Dominica, April 30, CANA—The Dominica Parliament has been dissolved, paving the way for general elections to be held within the next three months. The announcement on the state radio came Monday [30 April], following a big rally yesterday of the ruling Dominica Freedom Party (DFP). Party spokesmen at the rally indicated that the DFP of Prime Minister Eugenia Charles was ready for the poll and hinted broadly that announcement of the date could be mere days away.

Some political analysts here who earlier predicted that Prime Minister Charles would again opt for a July election, now suggest the election could well come by the end of May. The DFP has scheduled two major rallies for May 13 and 21, fuelling speculation that the elections will come by monthend.

Miss Charles herself urged party supporters at Sunday's [29 April] rally to ensure that their neighbours and friends were registered and ready for the poll.

Elections Set for 28 May

FL3004185790 Bridgetown CANA in English 1756 GMT 30 Apr 90

[Text] Roseau, Dominica, April 30, CANA—Dominicans will go to the polls in general elections on May 28, it was officially announced Monday [30 April]. The announcement from the electoral office said nomination day would be May 11.

United Workers Party's James Addresses Rally

FL3004145790 Bridgetown CANA in English 1408 GMT 30 Apr 90

[Text] Roseau, Dominica, April 30, CANA—Dominica's two year old United Workers Party (UWP) will contest 17 of the 21 seats at stake in the upcoming general elections, political leader Eddision James said here on Sunday [29 April]. James addressing a rally of the UWP in the rural village of Mero, on the west coast gave no indication why his party was not fielding candidates in all the consituencies.

The UWP has consistently brushed aside the possibility of a merger with the Dominica Labour Party (DLP) for the polls and James said the party had a large following capable of disrupting the efforts of the ruling Dominica Freedom Party (DFP) to retain power.

James was critical of the media coverage afforded the UWP, making particular reference to his party's opposition to United States military personnel being involved in the construction of an international airport during an election year.

"While the media decides that it must.... distort what I said, they have refused to carry the story about the (government's) plan to sell off the banana industry and to make slaves of the banana growers in this country," James said.

He urged supporters to be "the hands, the ears, the eyes, the feet, and the mouth of this party."

The Dominica Parliament has been dissolved paving way for the general elections within 90 days.

Grenada

Assistance From UK, U.S. Sought Following Fire

FL300413249O Bridgetown CANA in English 1927 GMT 28 Apr 90

[Report by George Worme]

[Text] St. George's, Grenada, April 28, CANA—Grenada on Saturday [28 April] asked Britain and the United States for experts to help its investigators determine the cause of a fire which virtually wiped out the government's financial complex in St. George's, the capital. Prime Minister Nicholas Brathwaite made the announcement after an emergency cabinet session triggered by what he called the "national disaster" created by Friday [27 April] night's blaze—one of the biggest here.

The fire swept through a collection of about six connected buildings housing sections of the Ministry of Finance including the treasury, the post office, and the inland revenue department, and offices of the minister of finance, director-general of government finances, and accountant general. Other areas burnt out include the budget and planning division of the Ministry of Finance, the government printery, the stationery department, and the documentation centre.

Brathwaite said that during the cabinet session a number of decisions were taken with regards to finding immediate but temporary accommodation for hundreds of government employees displaced as a result of the fire. He mentioned the bottom floor of the national library, which narrowly escaped the fire that raged for hours, as the place most likely to be used to facilitate the postal service for the time being. Another building identified for use was Mt. Royal, the official residence of the prime minister. The residence has not been occupied by Brathwaite since assuming the prime ministership last month. The Grenadian leader has preferred to remain at his modest home at the villa, overlooking the waterfront, where the burnt out Ministry of Finance is located.

Brathwaite spoke of the managers of two large local firms offering government some of their facilities free of cost for the time being. He said that a sub-committee of cabinet was appointed to identify other places which could be used to house displaced employees. He called on those employees affected to report early on Monday [30 April] morning to the headquarters of the Public Workers Union (PWU) for a briefing on their redeployment.

Brathwaite said documents lost in the blaze would make it virtually impossible for government operations to function smoothly.

"We believe that in a very short time we will be in a position to at least complete the temporary arrangements which would enable government to function effectively in trying to provide the best service to the people of Grenada, Carriacou, and Petit Martinique," he remarked.

Brathwaite announced that U.S. charge d'affaires to Grenada, Ford Cooper, has already indicated to him that Washington might be willing to offer some assistance. He said that the chief technical officer in the Ministry of Works has been put in charge of a committee mandated by government to come up with both a medium and long-term estimate of the cost of replacing those buildings destroyed by the fire. He indicated that when this is done, the U.S. envoy would be given the necessary information so as to put the Americans in a better position "to do everything possible to help us in this hour of need."

Brathwaite admitted that the government would be hard pressed to meet its financial obligations at the end of the month to those daily paid workers. He said it hoped the records of other ministries would help "to put things temporarily together at least so that we can meet our commitments to them." He stated that government would do everything possible to ensure that these workers receive their pay cheques as soon as possible.

Brathwaite told Grenadians that the task ahead would be to start rebuilding "from the ashes."

"I believe that the nation would rally around us so that in the not too distant future, we would all join hands in hands in order to make sure that we recover from the ashes," he said.

He urged the nation to remain calm in this hour of need and to use this "particular experience" as a basis for forging greater national unity. Brathwaite said that despite the damages caused by this major fire his new administration would not be deterred in its efforts to provide the country with "good government."

He cautioned Grenadians about jumping to conclusions about the fire—after several onlookers alleged arson. Brathwaite said: "What we all must do is to make a commitment that together we shall not only rebuild those buildings which have been destroyed by the fire but that we shall build a better country so that we all can benefit from the fruits of our labour."

The Grenadian leader hinted that funds allocated in the just presented budget for some projects this year might have to be diverted towards the rebuilding of the Ministry of Finance since that now seems top priority. He said that depending on the levels of external assistance

received "we would have to redirect some of the resources that were provided in the budget for other projects to help in rebuilding what we have lost." Brathwaite was, however, hopeful, that all of Grenada's friends would come to its assistance.

"I have a conviction.... That at this particular time of need our friends in the western world as a whole will come to our assistance," he said.

"I am satisfied that with courage, fortitude, and with our continuous prayer to the one God almighty that we shall overcome," he added.

Haiti

Government Decree Forms Fourth Electoral Council

FL3004172790 Port-au-Prince LE NOUVELLISTE in French 28-29 Apr 90 No 33.800 p 1

[All names as published]

[Text] The fourth assembly of the Provisional Electoral Council [CEP] has been formed by provisional government decree dated 27 April. The citizens designated are as follows: Attorney Pierre Gonzales and Jean Casimir, designated by the executive. Casimir was appointed in place of the former representative of the university council. The university council was the only organization that had not designated a representative.

Also designated were: Jean Francois Merisier, by the union organizations; Philippe Jules, by the National Council of Cooperatives; Emmanuel Ambroise, by the human rights organizations; Attorney Rosemond Jean-Philippe, by the Court of Cassation; Attorney Arold Julien, by the Protestant Churches; Mrs. Yva Youance, by the Episcopal Conference of Haiti; and Ernst Mirville, by the Haitian Journalists Association.

Philippe Jules, Emmanuel Ambroise, and Dr. Ernst Mirville were on the first CEP which was dissolved by the National Government Council of General Henri Namphy on 29 November 1987.

We point out that this is the first time since the electoral institution was established by the Constitution of 1987 that a woman, Mrs. Yva Youance, has been appointed to the CEP.

Prosecutor Says 'Massacrers' Cannot Be Tried

FL3004202790 Port-au-Prince Radio Antilles Internationales in Creole 1030 GMT 25 Apr 90

[Text] [Announcer] In an interview we had with attorney Bayard Vincent, head of the Department of the Public Prosecutor, he said he found no documents whatsoever concerning various massacres. He thinks it would be difficult, if not impossible, to bring to trial the 29 November criminals. The public prosecutor also said the police did not conduct a serious investigation to discover who participated or were the authors of the 29 November election-day massacre. We invite you to listen to the Public Prosecutor himself, making further statements about trying the 29 November massacrers as well as those involved in other massacres—something the population has been incessantly requesting since 1987.

[Begin recording] [Vincent] What is 29 November? I mean, I mean, what year was that in? 1987, right? Therefore, it has already been three years! Therefore, it is not a case of flagrante delicto, understand? It is not a case of flagrante delicto in which the Public Prosecutor would have a right to implement an emergency intervention, see? Now that time has elapsed—as I explained in a press release—it is not a case of flagrante delicto. In cases of flagrante delicto, the public prosecutor carries out an emergency intervention, as anyone can, know what I mean? Even a bystander!

[Reporter] But did you in fact find in your office any reports regarding 29 November?

[Vincent] Not a single one. Not a single one.

[Reporter] So, if I understand you correctly, you found nothing; this means that the judiciary is not capable of casting any light on the 29 November massacre.

[Vincent] The judiciary could have cast light on the matter if the police had informed the judiciary of the problems when they occurred, and if the police had investigated to inform the judiciary, turned over to the judiciary all suspects. However, to this day the police have remained silent, saying nothing on the matter.

[Reporter] Could not you, as the public prosecutor, ask the police to conduct a serious investigation so the judiciary could cast some light on the case?

[Vincent] We have arrived at a moment...[rephrases] you have reached a phase where I myself was not present, back when all this occurred. [sentence as heard] I was not the public prosecutor back then. Those who were here before me did not do it. Neither do I see how I am going to do it. And if it were to be done, it would be at the level of higher authority, see? Because who is going to oblige the police or the Army—know what I mean?—to testify, to hand over whatever it has in its hands, do you see? For you cannot (?shake) the Army to tell it provide this or that! Regardless of what you would do, might want to do, if the Army does not wish to provide it, there is nothing you can do!

[Reporter] No, but I do not think anything is above the law! You say the Army might not want to give it to you. But are there not measures that can be taken against that institution enabling the public prosecutor to obtain dossiers and documents so he can try his case?

[Vincent] What measures have you ever seen taken against the Army up to now?

[Reporter] So that means that because no measures have ever been taken against the Army, you yourself cannot take any measures?

[Vincent] Well, the measures I would have to be able to take against the Army would be to ask that X or Y be arrested. Can I have a general arrested? A lieutenant colonel arrested? The chief of police? The head of the antigang service?

[Reporter] There are a number of countries in which criminal acts are committed and after five or even 10 years, the judiciary finds the guilty parties regardless of who was involved. In your opinion why, in Haiti when a massacre occurs, do the criminals leave no trace and is the judiciary unable to provide any information on such cases?

[Vincent] Well, the reason the judiciary is unable to provide any information on such cases is that most of the time such matters play...[rephrases] they (?perceive) such matters...[rephrases] it is politics that prevents you from finding traces of the criminals. Politics! Understand well what I am saying to you here!

[Reporter] Can you be clearer about what you are saying here, Mr. Vincent?

[Vincent] Politics? Everybody knows Haiti, as well as I! I do not think I can be any clearer than that! [end recording]

[Announcer] Those were the statements of Public Prosecutor Bayard Vincent regarding the 29 November massacres. He said no documents whatsoever were found. Furthermore he said that 29 November 1987 is not a case of flagrante delicto in which the public prosecutor could step in and intervene. He also said the police did not do their job properly; they did not conduct any serious investigation to identify the guilty parties.

CEP Member Ambroise Reveals Regala Corruption

FL3004232690 Port-au-Prince L'UNION in French 28 Apr-2 May 90 No 335 pp 1, 5

[Part I of interview with former Minister of Agriculture Emmanuel Ambroise, also a member of the newly-formed Provisional Electoral Council, CEP]

[Excerpts] L'UNION invites its readers to view from a front-row seat the events at the end of 1987 through Emmanuel Ambroise, former minister of Agriculture under the government of Daniel Fignole and a former member of the Provisional Electoral Council of 1987, who has been reappointed to the new CEP. [passage omitted]

L'UNION: Mr. Ambroise, the 1987 CEP is reproached for having encouraged people to go out to vote on the morning of the elections when a massacre was anticipated.

Ambroise: Why do people not reproach the criminals for their massacre? Why do people want to hold me responsible for the crimes others were to commit? Was I supposed to know what they were plotting? You knew there were plotters, assassins, bandits. Consequently, you are responsible for the acts these bandits were planning to commit. That is absurd. I am going to let you in on a little secret. Two weeks before the elections, I realized that Regala [former interior and defense minister, Williams Regala] was patronizing acts of banditry to dissuade the CEP from continuing. At the same time, he was making statements to the national and international press saying: "Everything is going to unfold in an orderly manner." He gave full guarantees that the elections would unfold "in the most serene of climates." He was vouching for it. I did not think Regala would lie to that degree. Afterwards, I learned that it was he who had been organizing the acts of banditry in question.

L'UNION: And why did you not denounce him?

Ambroise: I thought I had. Every day I would go on radio and on television to say that the government was opposing the electoral process by using every means. We chose not to stop the electoral process because we knew there were vigilance brigades, patriots throughout Haiti who had contributed to organizing the 29 March referendum, and that had been a lesson in discipline and moderation on the part of the Haitian people, and of political maturity. [passage omitted]

Regarding the vigilance brigades, we knew that in a communique, General Regala had ordered these brigades dissolved four days before the elections. Was that not an indication of what was going to happen?

I knew that Regala himself was opposed to the electoral process and therefore feared the vigilance brigades that were going to ensure the honest unfolding of elections. I never thought men like Regala and Namphy were going to muzzle the elections. I always thought that at the last minute they would hesitate to go into action in view of the popular will. The electoral council was the first institution to have received the blessing of the entire population. I could not believe that individuals could be as treacherous and wicked as that. Besides, had we been so unfortunate as to have postponed the elections, all of us would have been censured. Everyone would have come and said to us: Ah, yes, but Regala said everything would unfold in an orderly manner. I knew he was capable of restoring order. However he was the enemy of that order. I could not delve into his conscience and know what he was going to do that day.

Article Condemns Administration; Lack of Change

FL0105011290 Port-au-Prince L'UNION in French 28 Apr-2 May 90 No 335 p 3

[Unattributed article: "A New Generation's Appeal to the National Conscience"]

[Text] The end of the 20th century will have been marked by the struggle of all the earth's peoples to rid themselves of heavy-handed governments and dictatorships, be they of the right or left, emanating from the state or from organized groups. We are living in a period of important changes. It is the dream of all men to be able to choose, with no constraints whatsoever, a model

of society that will permit a blossoming, both individual and collective. The Republic of Haiti has not escaped this trend of thought. Unfortunately, however, as this new era dawns, the freedom to which all Haitians aspire is compromised by small groups that sap, through vested interests, the very foundations of the democratic state.

Four years of civil disorder beyond description; four years of national and international maneuvers waged under the banner of an aggressive and blind sectarianism; four years of political upheavals exacerbated by a verbal terrorism without ideological references, have consummated the ruin of the state and have subjected the national sovereignty to meddling by foreign agents who exhibit profound disdain for our national values and who push the sons of a single fatherland to disavow one another and tear one another to pieces.

Who is maintaining this chill wind of strife? Who is fostering and financing these daily scenes of violence in our streets that are projected throughout the world? Who is encouraging these scenes of cannibalism, the traumatizing spectacle of which is imposed on our children through television? Who is pitting Haitians against Haitians and feeding them as fodder to the international press to be presented as asocial creatures, primitives outside any civilization?

Our social system is experiencing tragic times that require questioning from those who have conferred on themselves the monopoly for managing a crisis that nevertheless concerns all Haitians and conditions their existence. Their failure is obvious. And their systematic refusal to broaden the circle of concerted action is the only justification for their obstinacy in seeking to lay a guilt trip on those whom they have chosen to shunt aside from important national proceedings. How many do they wish to eliminate in the name of their democracy? One million, two million, three million of the sons of people who currently represent the higher-ranking and lower-ranking cadres of the public administration, private enterprises, state and private banks, and assembly plants—who together represent the hardworking laborers of our factories and our fields?

The taking hostage of democracy has led to a cascade of ephemeral governments, the succession of which sadly reminds us of the preliminaries to 18 July 1915—for the return of which a certain class of men, who cannot get over having lost control of the government, is conspiring. The authority of the government, a regulatory power, is crumbling away more and more each day. The administration in its compartments and cadres is falling to pieces. The institutions that are the custodians of the of the social order's perennial values—the Army, the schools, the university, the church, the judiciary, and the press—have not been spared this filterable virus. From one end of the nation to the other a multiform poverty extends its influence. Mourning has become the daily lot of families. Hunger and deprivations of all kinds exhaust the lumpen proletariat, driven in its dispair to acts of vandalism that the devotees of a new law set up as popular justice.

Meanwhile, the attentive observer cannot fail to note that the fleeting hope of 7 February has not brought about any change for the population: the monopolies are still in the hands of those who held them before 7 February; the beneficiaries of extravagant franchises are still the same; the names of the speculators in commodities have not changed; contraband, even when a third party acts as intermediary, is still controlled by the same sector; the drug merchants, vectors of social death, continue to enjoy the same old impunities; the pillaging of the public coffers has certainly not stopped; the squanderers of the state's property, far from being harassed, deck themselves out in the arrogance of exclusivity in the control of the state apparatus, reserving the right through continued corruption and subversion to lay the burden of responsibility for their deeds on the shoulders of those who should, rightfully, be accusing them. Vultures of all kinds, from all over, are fiercely fighting over the shreds of a country to prevent an awakening of the national awareness and avoid the raking up of inevitable accounts.

Why do people refuse to designate individually and by name the authors of reprehensible acts, responsibility for which they suggest be imputed to an entire class of men? Why do people refuse to draw up an exhaustive list and specify the nature of the crimes for which the entire country is demanding justice? The moment has come to denounce these phony lovers of justice who are doing their utmost to give the blame a collective—and thus unpunishable—dimension, for the sole purpose of protecting their own, intellectual authors and privileged beneficiaries of these crimes.

As long as the work of building democracy remains amenable to a sectarian plan and interests; and as long as freedom remains the prisoner of pressure groups experienced in manipulating public opinion; and not until the State, in danger of breaking up due to the destabilizing action of the pseudodemocrats, will have reconquered its authority and its vocation; and not until the public administration is again at the service of the public good; and as long as perpetuating privileges remains the sole incitement for monopolizing all the control levers; and as long as the priority needs of families cannot be satisfied; and as long as [word indistinct] remains the lot of the majority; and as long as a small traditional group persists in wanting to monopolize comfort and well-being using any and all means, this democracy that we so ardently desire will be only a caricature. This freedom in the name of which so many human lives have been sacrificed will be only an illusion and the hopes of an entire people dashed.

We, who have never had anything to do with any maladministration and who have never authorized anyone whomsoever to act for us, rise up in protest against the mortgage different parties want to take out on

our future. We once again say no to deception and reaffirm our indefeasible right to participate in the reconstruction of this country!!! We want to live in a free, nonviolent, just, democratic, open society capable of offering all citizens equal opportunities. Our rallying around this new societal platform imparts to the nation's intellectual and moral elites, its urban and rural masses, the important appeal of a profound Haiti impatient to see a reign of truth, peace, justice, and concord installed among its sons.

This text is signed by several well-known figures, among them Henri-Robert Sterlin, Frantz Bataille, Gabriel Frantz St.-Louis, Osner Fevry, and Ludmilla Joseph.

ANDP Asks Government To Consider Four Points

FL3004180790 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 30 Apr 90

[Text] In a press release issued today, 30 April, the National Alliance for Democracy and Progress [ANDP] reiterates its conviction that only honest elections can solve the crisis Haiti has been experiencing for a long time now. Since ANDP never shirks its responsibilities, it is today, before the nation, asking the executive branch of the government to have the electoral calendar published the same week the CEP [electoral council] is installed (?and) to solemnly inform the nation as to what it is doing to get the government apparatus, especially the judicial apparatus, to resume functioning normally under the authority of the government. ANDP also asks that the executive inform the public, in that same solemn message, that its mandate and that of the organizations at the executive's side will come to an end before the current fiscal year ends. ANDP also asks the executive branch of the government to make public the miminal program it has prepared for the five months left to it, especially to let the Haitian people know what it and the Army High Command are going to do to restore the population's confidence (?by) making them feel their security is guaranteed.

It is because we know what kind of difficulties this government is confronting that we strongly urge it to take our four points seriously. Should it not give our four points any consideration, the ANDP will be obliged to change its position vis-a-vis the government, vis-a-vis the formula set in place on 13 March 1990 to effect the transition. This formula was a formula for replacing Avril and holding elections—nothing more. It will be the job of the government issuing from the said elections to tangle with the population's problems to satisfy the population's demands and, finally, pull the country out of the hole it is in.

Rights Group Urges Proper Application of Law

FL3004161390 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 27 Apr 90

[Excerpts] One of the nation's largest human rights organizations, the Haitian Center for the Defense of Public Freedoms, Chadel, which is headed by Jean-Jacques Honorat, strongly condemns in its latest monthly bulletin the expeditious meting out of justice that is occurring in the streets—what is commonly referred to as "Pere Lebruning" people [putting a tire around their necks and setting fire to the tire].

Honorat says the reason the population is taking justice into its own hands in the streets is that Haiti's judicial institutions are perceived as having thrown in the towel. Honorat says that such expeditious meting out of justice is a flagrant violation of the Constitution of 1987 that this same population ratified, as well as a violation of modern international law. [passage omitted]

While pointing the finger sternly at the Duvalierists, Chadel asks everyone who has been trampling human rights underfoot, pillaging the state coffers, and murdering people right and left for the past 30 years to make an effort to contain themselves and to substitute, for these savage practices, the proper application of the law to all. To use the words "popular sovereignty" to justify acts of violence stemming from intolerance and a bit of the spirit of disorder is to return to Duvalierist logic, for Duvalierists were in the habit of making people take to the streets in Port-au-Prince to show how popular the Duvalierists were so they could go around murdering everyone in Haiti who was struggling against their criminal regime.

Montserrat

Turner Term Ends; Doubts Independence in Offing

FL0105012890 Bridgetown CANA in English 2036 GMT 30 Apr 90

[Report by Angela Burns]

[Text] Plymouth, Montserrat, Apr 30, CANA—Montserrat's Governor Christopher Turner ends a three-year tour of duty here on Wednesday [2 April] indicating that the British colony is still "far away" from attaining political independence.

"I haven't noticed in my time here any particular forward movement towards independence... I haven't formed the opinion that there's a greater lobby or majority for independence than there was years ago," he told CANA. But he said Britain was willing to grant independence "whenever the country is ready."

"...One used to think of independence as a natural stage in the progression of national development, and one assumed that all colonies would move out in the later stages," said Turner.

Chief Minister John Osborne, an advocate of independence, had earlier indicated that a national referendum on the issue would be held in 1990, but observers said such plans may have been shelved as a result of the devastation caused by Hurricane Hugo in September last year.

Turner, who will be replaced by David George Pendleton, did not have a smooth relationship with the government here, with Osborne at one stage labelling him a racist who sought to re-colonise the island.

"I think if you're a governor and you're relatively active...And you are working inside a small community, then occasionally one gets slanged, and if you are white, then you're going to be called racial. It goes with the colour of the skin," he said.

"Racism is one of those evil tendencies that we all suffer from, like greed and lust, but I don't see myself as a racist," he added.

Turner's term of office here was also characterised by an in-depth investigation into the off-shore banking industry, which resulted in the arrest of a number of Montserratians and American citizens. One prominent Montserratian to have been involved in the investigation was former Attorney General John Stanley Weekes who is serving a nine month jail term for fraud.

Turner referred to the investigations as "the very necessary and difficult business of sorting out the finance centre." He said the island as a result of the investigations by Britain's Scotland Yard and the United States Federal Bureau of Investigations (FBI) had been able to "remove from among the good banks, the many banks that we unknowingly and rather incautiously allowed to abuse the finance centre here." The investigations had "cleaned out the stables and there are now good horses there," he stated. Turner said he was impressed with the progress being made following the passage of Hurricane Hugo and complimented Montserratians for their attitude towards rebuilding the island.

"We are now six months after Hugo (and) we are looking at the long haul, in terms of much bigger things that have to be re-built, and which require much more funding." Turner said he was ending his tour of duty without any misgivings.

Costa Rica

Legislature Condemns U.S. Diplomats, Officials

PA3004225490 Panama City ACAN in Spanish 1645 GMT 27 Apr 90

[Text] San Jose, 27 Apr (ACAN-EFE)—The Costa Rican Legislative Assembly ended the last legislative meeting of the present government (1986-1990) last night with the "yeas" of 50 of the 57 deputies, who thus approved a second report on drug trafficking, which censures Costa Ricans and diplomats and former officials from the United States.

The report, presented in mid-1989 by a bipartisan assembly commission, studied the penetration of drug trafficking in Costa Rican society and asks that entry into the country be banned for, among others, former U.S. Ambassador to San Jose Lewis Tambs, retired Colonel Oliver North, and Admiral John Poindexter—all linked to the "Iran-contra" scandal. The document also requests that Joe Fernandez, former CIA director in Costa Rica, not be allowed to enter the country.

The Executive Branch had previously given the commission's recommendations its full support.

Government Legislator Alberto Fait, who was the bipartisan commission's president, requested today that "a permanent legislative commission" be formed to investigate drug trafficking.

Also, the Social Christian Unity Legislator Oscar Avila, also a member of the commission, noted that "with the votes received on this issue—which was almost unanimous—I have hopes that some recommendations, which have not been put into practice, will be immediately implemented."

Only two deputies of the governing National Liberation Party voted against the report's approval and five others did not attend the final session.

The bipartisan commission's report made 33 recommendations in all. In addition to requesting that the entrance to the country be banned for the aforementioned U.S. officials, it asks for the expulsion from the country of U.S. citizen John Hull, who has two cases pending in Costa Rican courts. It also calls for the expulsion of alleged drug trafficker Lionel James Casey, whose extradition has been requested by the United States.

The report asks that the "person of independent means" residence status given to Singaporean Sheik Kadir Sahid Tajudeen, be canceled. Sahid Tajudeen was arrested in Costa Rica more than a year ago and is requested by French courts in connection with his alleged links to drug trafficking.

Another person condemned in this report is former President Daniel Oduber (1974-1978), one of the founders of governing National Liberation Party. The deputies asked that he resign from all political positions that he holds because he received $10,000 from Casey for the 1986 political campaign and they want him to return that money to the American.

(Party spokesmen reported this week that the National Liberation Party's ethical commission removed Oduber from all posts within his party for a year, effective last August)

Recent official reports, based on DEA (U.S. Drug Enforcement Administration) information, noted that at least a ton of cocaine passes through Costa Rica every month.

The report also asks for the resignation of several public officials, the investigation of nationalization documents given to foreigners allegedly linked to drug trafficking, and for other officials not to be designated to public posts because of their presumed links to illegal activities.

Oscar Arias To Receive FMLN Leaders

PA2704155590 Madrid EFE in Spanish 0311 GMT 27 Apr 90

[Text] San Jose, 26 Apr (EFE)—Costa Rican President Oscar Arias announced today that next week he will receive El Salvador's Farabundo Marti National Liberation Front (FMLN) guerrilla leaders, who have requested a meeting with him.

Arias said that there is an "urgent" need for a meeting between the Salvadoran Government and the guerrillas, so as to negotiate peace in that country.

"If they want to meet in Costa Rican territory, as they have done in the past, our doors are open and the government offers them the guarantees and required facilities," Arias said.

The Salvadoran Government and the FMLN had planned to restart their peace talks on 3 May in Venezuela, but Arias has received reports that the guerrillas want to postpone the meeting, although he did not give reasons for this.

EEC Contributes to Farming, Rural Development

PA3004024390 San Jose LA NACION in Spanish 17 Apr 90 p 6-C

[Report by Marvin Barquero S.]

[Text] The EEC has delivered 504.8 million colons to begin the second stage of the agricultural reorganization and rural development program, which began last 1 April.

The purpose is to continue the implementation of the program in which the EEC has already invested 1.8 billion colons in nonrepayable funds. According to EEC officials, the program has helped the development of small farming settlements.

The first stage of the plan, which ended in March, assisted in the development of the Orotina and Puriscal communities, the EEC spokesmen said.

The EEC will continue, within the program, to provide institutional support to national entities such as the Agriculture and Livestock Ministry (MAG) and the Agrarian Development Institute (IDA). The EEC spokesman said 20 million colons have been allocated for this purpose.

In this second phase, which will last four years, four peasant settlements and settlements of independent farmers will be developed. The settlements are located in La Paz, Delicias, Gamalotillo III, and Damas.

In addition to helping the peasant settlements develop, the EEC technical and financial aid will also assist in improving the soil and building schools, houses, and aqueducts.

In the first stage of the program, a fund was established which allowed small farmers to receive loans for production. The cultivation of fruits, vegetables, and sugar cane was financed.

The EEC officials have noted that during the first stage 12,000 hectares of land were redistributed, 3,000 hectares more than estimated. In addition, 1,500 families, 700 more than planned, were given lands to settle.

On a commercial level, the program has been able to promote the production of sugar, Indian palm or cane, and flowers. These are nontraditional products, which according to the EEC, have yielded more than $4 million each year.

The data released by the EEC on the first stage of the program shows that in the last five years the median income per family has doubled. This income is estimated at around $2,500 per year.

In the second stage of the plan, the EEC will provide assistance to the organizations in charge of marketing the products. Among those groups, we have the EEC-Costa Rica Foundation, which will supervise the credit fund, and the Central Pacific Producers Association (ASOPAC), which will become a multi-service enterprise.

A center will also be created for consolidating the peasants organizations and training leaders for social development.

The second stage of the plan will also include small farmers receiving over 1,500 hectares of farming lands, the EEC spokesmen said.

El Salvador

Armed Forces Reiterate Support for Dialogue

PA0105043490 Panama City ACAN in Spanish 0019 GMT 1 May 90

[Text] San Salvador, 30 Apr (ACAN-EFE)—The Salvadoran Armed Forces today reiterated their support for dialogue between the government and the guerrillas to be resumed next Wednesday with the mediation of the United Nations, a military spokesman reported.

The sources pointed out that this was one of the conclusions reached at today's meeting of the General Staff with the commanders of the various military units and the directors of the security corps.

Spokesman Mauricio Chavez Caceres pointed out that military operations in the country—particularly in areas where "there is still some terrorist activity"—was also analyzed during the meeting.

Alvaro De Soto, special envoy of UN Secretary General Javier Perez de Cuellar, will arrive on Wednesday in El Salvador to meet with the authorities of the country.

De Soto will later meet with delegates of the guerrillas in a nation that has not yet been disclosed for the purpose of discussing the peace efforts, official sources said.

The military chiefs also analyzed today a "peaceful march" that the labor and civic organizations will hold tomorrow on the occasion of International Labor Day.

"The Armed Forces will respect freedom of movement, but it requests common sense so that the demonstration will be successful," the military spokesman added.

Chavez Caceres categorically denied to ACAN-EFE that during the meeting they analyzed the U.S. military assistance to El Salvador that is being discussed in the U.S. Congress or any possible changes in military leadership.

"It was a routine meeting in which we discussed purely administrative issues," the source said, insisting that no changes in military leadership are foreseen.

FMLN To Present Dialogue Proposal

PA0105045290 Panama City ACAN in Spanish 0402 GMT 1 May 90

[Text] San Jose, 30 Apr (ACAN-EFE)—The Salvadoran guerrillas will tomorrow deliver in Mexico City a negotiating proposal to Alvaro De Soto, special envoy of UN Secretary General Javier Perez de Cuellar, on its forthcoming conversations with the Salvadoran Government.

Antonio Cardenas, of the political-diplomatic commission of the guerrillas, told ACAN-EFE in Costa Rica that Commanders Ana Guadalupe Martinez and Salvador Samayoa will deliver the document to De Soto. In this document, the guerrillas are asking for international

surveillance in the municipal and legislative elections slated for 1991 and for defining the negotiations system that is to be put into practice.

Commander Nidia Diaz added that the meeting with the Salvadoran Government delegates will not take place on 3 May, the tentative date initially agreed upon, but sometime during the same month. She did not rule out that the meeting could be held in San Jose.

A commission of three leaders of the Farabundo Marti National Liberation Front (FMLN) met tonight in San Jose with Costa Rican President Oscar Arias to acknowledge his mediation efforts for peace in El Salvador. The announcements were made at the conclusion of the meeting.

Army Analyzes Colonel Ochoa's Comments

PA0105034090 San Salvador EL DIARIO DE HOY in Spanish 25 Apr 90 pp 3, 33

[Text] The High Command of the Armed Forces is analyzing news reports about Colonel Sigifredo Ochoa Perez, president of an autonomous institution, having said that the officer involved in the death of six Jesuits and their two maids "followed orders from above".

Ochoa made those comments on a U.S. television newscast at a time when several members of [the U.S.] Congress want to cut aid to El Salvador and are conducting their own investigations of the case. The results of their investigation will be known next week.

Defense Minister General Rafael Humberto Larios confirmed on the morning of 24 April that the High Command is analyzing Ochoa's declarations and stressed that versions such as the one attributed to the official usually come from "interested parties."

Larios, questioned when he bid farewell to President Alfredo Cristiani, who left for Nicaragua on 24 April, said that "the case is in the courts and all those who have new evidence may approach them to contribute what they have so that it may be solved."

"Both the Army and the government want everything to be clarified within a fair and legal framework," he said.

Army officers who asked to remain anonymous said on 24 April that "the comments made by Ochoa, controversial politician and soldier known for his frequent outbursts, have no basis because he has no access to confidential Armed Forces sources due to his retired status."

However, the informers have said that "what Ochoa said not only damages the Army's image, but that of the entire country while it contributes to the defamation campaign being carried out abroad by interested parties, among them, the leaders of the FMLN-FDR [Farabundo Marti National Liberation Front-Revolutionary Democratic Front]."

They added that Ochoa's declaration, "made without presenting any proof, endangers the military aid that the United States offers to El Salvador and, at the same time, favors the internationalist left which intends to play the last card it has to assault power in this country."

The politicians' immediate reaction to Ochoa Perez' comments was to demand that he be more specific in his accusation. PDC [Christian Democratic Party] leader Eduardo Colindres said in a news conference that "Ochoa Perez has the moral obligation to name" those of his comrades-in-arms he implicates in the death of the Jesuits, since the version he gave to the television program that interviewed him is vague.

The politician said: "If he knows something, it is time for him to admit it publicly so that justice authorities may take the appropriate steps."

Meanwhile, in Managua, Spanish Government officials who attended Violeta Chamorro's inauguration said they were disappointed by the sluggish manner in which the investigations of the Jesuits' case are apparently being carried out. They said they might mention the topic during the meetings they will hold with President Cristiani in Nicaragua.

Reports from Washington D.C. quote the leftist leader of the FDR, Guillermo Manuel Ungo, as saying that "his efforts in the American capital to expose the situation in El Salvador are a success."

The sources said that Ungo and his Marxist-Leninist allies want the U.S. Senate to stop giving military aid to El Salvador. The sources also said that Ungo discredits the Army and the government and favors the legal recognition of the rebel groups operating in the country.

"Everything seems to indicate that the leftist internationalists have unleashed a new disinformation offensive against El Salvador with the aid of bad Salvadorans," the sources said.

Referring to other Communist moves in the country, General Larios said that the local leftists are preparing to stage terrorist actions and street disturbances in the next few days under the pretext of commemorating Labor Day.

Larios urged the FMLN-FDR terrorists to refrain from perpetrating violent actions, thus creating an adequate climate for the "dialogue" announced by the government to be held on 3 May. "Otherwise, the terrorists would be violating the commitments they made," Larios pointed out.

In addition, it has been reported from Costa Rica that FMLN-FDR leaders have said that they have prepared another offensive for the next few days. This announcement has elicited strong rejection by various sectors.

Court To Put Army Members on Trial

PA2904183590 Madrid EFE in Spanish 0516 GMT 29 Apr 90

[Text] San Salvador, 28 Apr (EFE)—A Salvadoran court has ordered trial proceedings initiated against an officer and an enlisted man who are accused of killing 10 peasants in a village in the central San Vicente Department in September 1988.

The two suspects are Major Mauricio de Jesus Beltran Granados and Subsergeant Rafael Gonzalez Villalobos, both members of the 5th Infantry Brigade based in San Vicente. The same court decided to suspend proceedings against Sublieutenant Arnoldo Vasquez and Subsergeant Jorge Alberto Tobar for lack of evidence.

According to the Catholic Archbishopric's Legal Assistance Office, the 10 peasants were executed by individuals presumed to be members of the Army.

Some 30 Army members were investigated for their alleged participation in a military operation carried out in the same place as the multiple murder. The Army had initially maintained that the peasants were Salvadoran guerrillas.

Guatemala

Finance Minister on Economic Austerity Measures

PA2804003290 Guatemala City Teleonce Television in Spanish 0300 GMT 25 Apr 90

[Report on news conference by Finance Minister Francisco Pinto with unidentified reporter in Guatemala City; date not given—italicized passages are recorded]

[Text] [Announcer] Finance Minister Francisco Pinto Casasola has held a news conference to discuss issues that concern the government's fiscal policy, the current economic situation, and the austerity measures being applied to public spending.

Concerning the fiscal situation, the minister said:

[Pinto] *I defined that policy as a fiscal discipline policy characterized by three main elements—order, responsibility, and confidence.*

At that time, I insisted that we—as with everything else that was happening in the country—come up with an idea of [words indistinct] results of some disorder and that we wanted primarily to devote time to correcting public finances. We said that we wanted to undertake this task in a responsible way in all areas, both in revenue collection and in responsible and orderly handling of public spending.

With these measures, while we obviously wanted to get to the taxpayers, we also wanted to reach the general public, thereby creating confidence that we were going to fulfill our proposal. These characteristics continue to be the basis of our fiscal policies and the pillars of our actions.

We can assert that we have obtained very positive results in the administration of the fiscal policy with regard to revenue, spending, and the fiscal deficit itself, which is the subject of debate and anxiety among the public.

[Announcer] The finance minister discussed the fiscal deficit and reported the amount. He also denied any connection between the deficit and inflation.

[Pinto] *I want to bring to your attention some points of the 1989 fiscal deficit. First, the fiscal deficit is not and was not the amount reported by the media. Second, the fiscal deficit did not go beyond what we had budgeted. Third, we balanced the use of economic resources with foreign resources, that is, foreign and domestic credit.*

Taking this into consideration, I insist that we did not reach the dramatic figures that have been reported by the media and that have been considered the cause of accelerated inflation in 1989 and the beginning of inflation this year.

Consequently, we closed 1989 with a fiscal deficit of 700 million quetzals, and not 1 billion quetzals as was initially reported. Moreover, it is important to note that the use of domestic economic resources played a truly important role, especially toward the end of 1989.

[Announcer] Concerning the austerity policies, the finance minister made the following observations:

[Pinto] *First, regarding public spending, you must remember that the 1990 budget was never approved. Thus, we are working with the 1989 budget. That we are working with the 1989 budget implies a real reduction in the budget. Why is this? Because the 1989 budget was drafted in 1988, taking into account the 1988 price level. Also, by forcing public entities to operate with the 1989 budget, like I said before, we are working with a reduced budget in real terms. This is the first important austerity measure.*

[Announcer] A 10-percent reduction in public spending for goods and services and the elimination of purchasing machinery and equipment are part of the austerity measures, together with others, that the finance minister explained.

[Pinto] *We have decided to impose a freeze on all vacant government positions. This measure represents an indirect savings, not a direct savings. Why am I saying that this is not a direct savings? Because with this measure, we wanted to finance the salary hikes that the government had promised in 1989.*

[Announcer] Upon disclosing savings figures, the finance minister said that with these cutbacks, the government savings become significant.

[Pinto] *For example, we decided to freeze government positions, which represent approximately 10 percent of the estimated revenue budget. In general, the revenue budget includes salaries, bonuses, benefits, and promotions, and it is equal to 1.3 billion [no currency specified] yearly. Ten percent of that is 130 million. If we are able to reach this target, we will finance salary hikes with this amount.*

Another type of budget cutback is at the durable goods level. Here, we are talking about 10 million quetzals in savings beginning the date that the measure was implemented back in February.

All these measures combined represent approximately 250 million quetzals in budget savings.

Honduras

Callejas Rejects Permanent U.S. Military Bases

PA0105005990 San Pedro Sula TIEMPO in Spanish 30 Apr 90 p 2

[Text] Tegucigalpa—President Rafael Leonardo Callejas has reiterated that his government is not willing to permit permanent U.S. military bases in Honduras or to sign Protocol III, which establishes the permanence of U.S. troops in Honduras.

In this way Callejas refuted rumors that the Palmerola base would be turned into a permanent U.S. military base and that because of this, the Honduran Government had decided not to build the new international airport there.

"That is not true; we are not willing to sign either Protocol III or to have Palmerola become a long-term permanent U.S. base," Callejas added.

Nevertheless, he said Honduras will continue to participate in joint military exercises with the United States, only their objective will now be reforestation and the protection of forests.

Referring to the statement by General Arnulfo Cantarero Lopez, commander of the Armed Forces, who said that the Nicaraguan contras will be permitted to return to Honduras if they come disarmed, Callejas said "Honduras is a hospitable country."

"If for any reason the situation in any Central American country makes it necessary for its citizens to temporarily move to our territory, as refugees have done in the past, such as those who have come to Honduras because of the Salvadoran conflict, we are aware of our responsibility as a nation and we will grant them the temporary asylum they request. However, this basically depends on what occurs in neighboring countries," he stressed.

"Our position," he added, "specifically refers to irregular armed forces in our territory; we are not going to permit that."

Callejas stressed that the government has established its position "very clearly, and I want those who are armed in Nicaragua to clearly hear this message: They will be unable to return to Honduran territory carrying weapons."

Referring to Nicaraguan President Violeta de Chamorro's decision to maintain Humberto Ortega as commander of the Sandinist Army, the Honduran president said: "This is a decision that falls completely under President Violeta de Chamorro's purview."

Gen. Cantarero on Contras, Nicaraguan Situation

PA0105004890 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 30 Apr 90

[Jose Rolando Sarmiento report on statements by Armed Forces Commander in Chief General Arnulfo Cantarero Lopez in Tegucigalpa; date not given—italicized passages are recorded]

[Text] [Sarmiento] General Humberto Ortega's presence as head of the Nicaraguan Army is an issue that creates friction and will apparently preclude the achievement of peace in that country, which will affect the entire Central American isthmus. We have asked the Honduran Armed Forces commander in chief to comment on the issue.

[Cantarero] *This creates a difficult situation because everyone felt enthusiastic and believed that once Mrs. Chamorro rose to power everything would end. Now we see that the process has not concluded and, of course, this creates a conflict....[corrects himself] This extends the conflict.*

[Sarmiento] In this regard, what should be done in Honduras, where many people are talking about reducing the Armed Forces because peace prevails throughout the isthmus?

[Cantarero] *We have remained the same even though we have discharged an entire unit and we were thinking about doing the same with another one. We never thought that peace in Central America would begin just with Mrs. Chamorro's victory. Instead, there are other external factors. You know about them; for example, El Salvador and Guatemala. Therefore, I do not believe that things have returned to normal.*

[Sarmiento] The commander of the 110th Infantry Brigade, headquartered in El Paraiso, and the commander of the Green Battalion have revealed that foreign troops will not be allowed to enter national territory again. What is your view on this, Gen. Cantarero?

[Cantarero] *The forces along the border have specific orders: They will not allow the entry of contras unless they are disarmed. I believe they would turn in their weapons because they feel gratitude toward the Honduran Government because of the kind treatment they were given.*

[Sarmiento] What if there are fierce offensives inside Nicaragua and the contras return to Honduras? What

would happen? We must think about humanitarian issues, which have allowed such armed people to enter the country.

[Cantarero] *Yes, of course. If they [words indistinct] weapons for humanitarian reasons. We would, of course, create some kind of program with international organizations like the UNHCR to see what status they will be given.*

[Sarmiento] The placement of explosive devices within our national territory—specifically in San Pedro Sula and Tegucigalpa—and attacks on some deputies prove that there are some hot-headed people who want to destabilize Honduras' peace.

[Cantarero] *Certainly. You know that since Mrs. Chamorro's victory, leftist organizations of Central America have met to carry out psychological warfare, along with some criminal actions. They will mainly strengthen themselves ideologically.*

[Sarmiento] Going back to the contra issue, what if they have to withdraw during an offensive and have to enter Honduras? How would this situation be handled?

[Cantarero] *They would not represent a force once they are disarmed. They would be simple human beings.*

[Sarmiento] Is this a task for the Green Battalion?

[Cantarero] *The battalion has to stop any armed group's action because our sovereignty is violated when armed persons enter the country. An armed contingent that is fleeing or that is being persecuted cannot be allowed to enter any country simply for humanitarian reasons.*

[Sarmiento] Does this mean that the government and the Armed Forces have defined their policy and will not allow this type of situation within our national territory?

[Cantarero] *This is a beautiful [word indistinct] that makes the Armed Forces feel proud. I would like to tell you that this was an initiative by our president, even though we already had the idea. However, we want to honor the president for his creativity; the Armed Forces are simply fulfilling their role.*

[Sarmiento] Gen. Cantarero, does this mean that the Central American presidents' agreements are being implemented to achieve a true peace in the region?

[Cantarero] *The agreements clearly state this. You know about them. We hope that this is the case. We hope we will not reach extremes.*

Bishops' Conference Issues Commmunique on Economy

PA3004231590 Tegucigalpa EL HERALDO in Spanish 24 Apr 90 p 3

[Communique issued by the Honduran Bishop's Conference on 20 April in Tegucigalpa]

[Text] Introduction:

1. We, the bishops of Honduras, in trying to comply with our mission of being pastors and accompanying our people in their happiness and in their sorrow and in trying to interpret the feelings of the vast majority of our brethren, feel that we are obligated to say a few words concerning the current economic situation and the effects of the decree law on the Structural Organization of the Economy.

The facts:

2. The common feeling seems to be that the economic situation of our country had reached such grave extremes in recent years that it was urgent to adopt serious measures to prevent chaos. That is what the new government has tried to do.

3. However, these measures have been adopted in such great haste, even by the Legislative Branch, that they have caused great confusion.

4. Although it is true that the president of the Republic, as well as high-ranking government officials, have expressed very strong personal convictions on the need of same and on the positive effects that are expected from it, everyday there are more doubts that these were adopted in moments of haste, and that they should be quickly eliminated. For example:

1. Will these measures really produce the desired results or are they going to worsen the situation of the vast majorities?

2. It seems evident that the adopted measures are harming much more the middle and poor classes than the upper class and large enterprises. If this is the case, aside from being unjust, one would have to wonder if the middle and poor classes are in a position to make such a high contribution to save our economy. In other words, can these measures that greatly affect the middle and poor classes really be successful? Would it not be better if these measures helped to lift the poor from their situation?

5. These fears are increasing in light of the effects that are noticeable less than 3 months after the issuance of the Decree of the Structural Organization of the Economy. There is an alarming increase in the costs of articles for domestic use and consumption, in public transportation, in medicine, in agricultural tools and materials, in construction materials, in school supplies, in clothing, and in other goods. Evidently, we are confronting an inflationary spiral that is beating too hard on the poor class.

6. These strictly economic issues are added to the labor dismissals that are sometimes suspected of being political maneuvers. This increases the alarming number of unemployed. There is a growing unrest that labor unions are being manipulated or divided. This has always been a very sensitive issue with the unions, and under the present circumstances, this becomes more delicate and perhaps dangerous.

7. It is also a fact that these harsh measures are triggered by foreign pressures that offend our national pride and which, at first glance, seem to contain few humane considerations and little regard for the poor.

8. This situation is aggravated by the huge military expenditures, large amount of contraband, great deal of administrative corruption on all levels, and considerable misappropriation of public funds—such as that which is rumored to have taken place in the Conadi (National Investment Corporation). The community in general now has to pay for these reprehensible actions, while the responsible parties are left unpunished.

Recommendations:

9. Faced with this situation, we feel it is our duty to ask the government, the National Congress, and the political and economic advisers—with all due respect—to urgently and profoundly analyze the following points by themselves, with labor, peasant, and business organizations, and before the general public:

1. The true scope and results of the current economic measures.

2. The possibilities of finding either a more just alternative that will be less harsh on the dispossessed or a way to appreciably lighten the effects of the current measures on the poorer classes.

3. The possibility that the decree in question is aggravating the social inequities of our society instead of contributing toward real social reconciliation.

10. We urge social organizations and the people in general to exercise caution and serenity when handling the current present national crisis. We must not let disruptive people confuse us. Instead, let us all try to make positive contributions and find in the best possible way the road that will lead us to peace and social tranquility. We must not let violence worsen the situation.

11. Given the people's protests, there is a real danger that unscrupulous individuals may want to take advantage of the situation. Also, there is a tendency to quickly term as subversives and criminals all those who oppose the measures. We ask everyone, particularly the civilian and military authorities, to use their best judgment and all their cooperation to avoid reaching levels of blind violence that will surely worsen the current situation. Let us all try to think positively and not get desperate; let us all be aware that some sacrifices will have to be made to maintain social peace and improve the overall situation.

Conclusion:

12. Upon concluding these reflections, we want to reassert that we have talked about such a sensitive and important issue because we wanted to state our concern for the people's suffering, particularly the poorest people of our country; to ask that possible solutions be found for them; and to issue an urgent appeal for caution and peace.

13. We think it is appropriate to repeat that phrase we wrote in our message on the occasion of our current president's inauguration: "The people's deeply-rooted frustrations will worsen if you fail to fulfill their hope (which the people had when they elected you)." We said :"Honduras has perhaps its last chance to avoid violence." (Message to new government, 26 January 1990).

14. We ask Christ Resurrected and the Virgin of Suyapa, Patron Saint of Honduras, to enlighten all our authorities and all Hondurans so that they may find the road to peace, harmony, security, improved well-being, and mutual respect.

Honduran Espiscopal Conference (CHE):
Msgr. Raul Corriveau, Bishop of Choluteca and Secretary General of CHE
Msgr. Hector E. Santos, Archbishop of Tegucigalpa and President of CHE

* President Callejas on Economic Program

90CA0009A San Pedro Sula LA PRENSA in Spanish 3 Mar 90 p 29

[Speech by President Rafael Leonardo Callejas]

[Text] My fellow Hondurans:

Yesterday I shared with you a description of the economic situation of Honduras. From that analysis there emerges a set of complex circumstances relating to problems besetting our nation.

Some of them affect the Honduran people seriously and indirectly, particularly the less fortunate sectors of society, but there is one fundamental fact requiring immediate action: If timely measures are not taken now, we shall endure an inflationary process which our information shows will go as high as 40 percent by 1990.

That is why I am appearing before you once again, accompanied by the president of the Central Bank and the ministers of economy, finance, planning, and natural resources, so that they may provide you with wide-ranging information on legislative proposals we have sent to the country's sovereign Congress for analysis, debate, and approval.

Three major areas are covered by the Economic Program: social, fiscal, and monetary, because our decisions must be coherent. We cannot simply take the monetary route because it affects the fiscal situation and the social aspects of the Honduran people. Nor can we simply take a social approach because we do not have the resources required by that type of action so fundamental to the greater well-being of those whose economic life is most affected. Some types of action will please many Hondurans, while others will not necessarily be to their liking,

but they fundamentally go together to comprise a symmetrical, effective framework enabling us to face the magnitude of the nation's problems seriously and responsibly.

In the fiscal area, we shall take action on the income tax. The tax rate for corporations will be changed so that instead of a scale, there will be a single rate of 35 percent. However, at the present time, we shall proceed to modify the minimum income tax rate so that citizens with income of less than 10,000 lempiras will pay no tax. This will help several thousand of our fellow countrymen and return a cash income of between 200 and 400 lempiras a year to them.

Along with this important concept of taxes going back to the people, we are taking action aimed at those groups not presently enjoying the benefit we are presently extending to this large number of wage earners by means of this decision.

Perhaps the most satisfactory measure of all those we are promoting is the creation of a special fund for single mothers with dependent children in the first to third grades. This program, which will reach 50,000 single mothers, means that for every child in grades 1 to 3, they will receive a scholarship or subsidy or food assistance equivalent to 20 lempiras per child. These 50,000 mothers will receive 1 million lempiras a month for purposes such as those I have named. We will be helping these women who are sacrificing their lives to give their children better hope for the future.

At the present time, there are also decisions meaning that the government will receive resources from the export sector once action is taken within the monetary framework of the Central Bank of Honduras. We shall tax the export sector through the monetary exchange rate amounting to 12 percent for the traditional sector and 9 percent for the nontraditional sector.

Monetary and fiscal measures in this field will truly allow exporters to enjoy a high level of competitiveness and we hope that this opening will help their investments give rise to the dynamic process that the Honduran economy requires and demands.

We are taking action in the social field in order to set up a fund whose fundamental objective is to resolve or help resolve the irregular ownership of land in urban centers. How many of our fellow countrymen have built homes on lots not belonging to them and how many of them have watched improvements not owned by them built on their property? This creates a situation of instability and confrontation. A fund with 10,000 lempiras in seed capital will be fundamentally aimed at helping to resolve the situation of urban property for those not enjoying ownership of their land.

We shall take the same approach to the Honduran Social Investment Fund which this year, when duly capitalized, will generate 6,000 jobs directly and nearly 9,000 temporary jobs and help mitigate the effects of the increased cost of living while the purchasing power of income is restored. We shall naturally make clear decisions on this program.

We shall also take action relating to the fuel sector, but at the same time and because the circumstances so require, we shall subsidize urban transport to prevent any increase in the urban mass transit rate. The program envisions the establishment of regulatory measures so that the use of vehicles will be duly regulated in the public sector. We shall also take action aimed at reducing imports of luxury vehicles and ensuring that those with larger, deluxe-model vehicles will pay a special quota to maintain and sustain the Honduran infrastructure.

The program provides support for the agricultural sector, basically oriented and directed toward strengthening credit, the productive sectors, and the acquisition of basic resources so the country may once again have a reliable food supply.

I have also talked with different national productive sectors and can tell them with satisfaction that the country's most prominent businessmen are willing to work with us to maintain stable prices on products that go into the family food basket.

Milk, corn, flour, and bread will not be affected by price increases and we shall also proceed to waive the rights to import these products in order to make them more accessible to the Honduran people. This economic program will unquestionably have positive effects and I have faith and confidence that in the new order of things, we Hondurans, with a change in atttitude and a different vision of the future, can structure the foundations of a new society, a growing Honduras, because only through growth can we achieve well-being. An economy that is not vital keeps the nation in poverty. Let us change it. Let us work together, in harmony with our interests, and proceed to adapt our way of thinking to the right economic structure so that all Hondurans may thereby say with satisfaction: "We made the decision, we faced the problem, and the Honduran people will have a promising future." I shall now let you hear from the ministers and the president of the Central Bank of Honduras.

* Callejas Foresees Regional Leadership Role

90CA0017A Tegucigalpa LA TRIBUNA in Spanish 28 Mar 90 p 8

[Article by Jorge Talavera Sosa; first paragraph is LA TRIBUNA introduction]

[Text] Honduran President Rafael Leonardo Callejas yesterday expressed interest in consolidating his leadership role, stating that "we want to make our presence felt in the Central American region by means of integration in the political and social spheres."

In his speech before the seminar for deputies financed by the Agency for International Development (AID) and

held in Villas Telamar, Callejas emphasized that "we are going to go back to the principles of Morazan and his ideals."

"To fail to do so would simply mean going back down the road that relegates Central America to the framework of mere interregional trade."

Callejas came to Villas Telamar by helicopter, accompanied by economic adviser Emin Abufele, Deputy Nicolas Cruz Torres, and AID Director John Sambrailo.

Short-range decisions must be made, he said, because otherwise time will get ahead of us and our presence in history will be but a page from the past rather than a vital part of the present.

Faced with such a possibility, Callejas urged deputies to work on the task with the understanding that Congress, as the people's real power, has an incredible presence and responsibility for decisions concerning the future.

In addition, he said that he does not view deputies as mere promulgators of laws, but rather, as the authors of legal, economic, and political options providing the framework the nation requires in order to be integrated into the dynamic new processes going on in the world.

Alluding to changes in Eastern Europe, he said that one must make the most of the dynamics of this extraordinary future awaiting the Old Continent "so that we may have a clear and accurate vision of the orientation we must give our nation."

"We cannot miss the chance of this window which history is opening through which Honduras must clearly define its short-, medium-, and long-range goals. However, it first of all needs a legal framework after which it can build a forceful, vital economic base making it possible to make the most of resources and guide the nation down other paths," he said.

Callejas said that only with a strengthened economy can we keep an eye on integration processes in the Central American sphere and he said he is confident it can be achieved very soon. "It does not matter that the complex democracies existing in the region have problems.... After all, they are democracies."

The president hopes the problems of the isthmus are coming to an end and that "we can orient our thoughts toward a Central America in which Honduras has a privileged responsibility, building our future with different options for ourselves and the rest of the area."

The Honduran president maintains that 40 percent of such great decisions will have to be made by the nation's "fathers."

"I trust in the possibility, not only of emerging from poverty, but in the fact that Central America, with a mission of integration, will have favorable prospects consistent with the actual standards of our peoples.

"Congress faces an extraordinary challenge and it must do so with responsibility and patriotism."

For the president, the deputies have already written a page of history "in gold." However, shortly after he delivered his speech, *the liberals left the room.*

* Economic Law Enabling Legislation Ready

90CA0017B San Pedro Sula LA PRENSA in Spanish 27 Mar 90 p 2

[Text] Tegucigalpa—This week will mark the completion of regulations preparing the way for the Law on the Structural Organization of the Economy by means of Decree 18-90 aimed at correcting the application of articles, as recently suggested by private businessmen.

This information was provided by Rene Pineda Mejia, deputy minister of revenue, adding that the goal is to clarify undefined situations that might arise in the immediate future.

He explained that government economic officials directly connected with the new provisions have contacted the newspapers, radio, and television on numerous occasions. They have also spoken live with members of several sectors, particularly businessmen, but such regulations contributing to application of the decree in question are desirable.

Matters relating to sales and income taxes will be regulated, with consideration given to the views of businessmen through the National Manufacturers Association, whose executive director, Dorcas Cantarero de Gonzalez, has been asked to make suggestions and comments on the future regulations.

He reiterated that exemptions have been waived for the importation of all manner of products, while maintaining those established by reciprocal international agreements and those articles entering the country as gifts. However, in such cases, a mechanism will be set up whereby auditors will put a stop to abuses commonly occurring with articles not reaching persons to whom they are addressed.

The official said that there has been a steady increase in the Ministry of Finance's revenue, and while he did not have statistics for the first quarter of 1990 on hand, he said that the total by 22 March was 286 million lempiras, which sum represents an increase of 20 million over the total for the same period of last year.

Income tax revenue totals 37 million lempiras and import duties 87 million. No figures were given for sales tax revenue, inasmuch as it is included in the consumption and production totals of 110 million lempiras for the first quarter of this year.

Concerning tax evasion, which he observed was a common problem throughout the world, Pineda Mejia

said that next April, by which time work on implementing the regulations of Decree 18-90 will be completed, a plan will be launched aimed at establishing procedures to be followed to fight the problem more efficiently and more effectively.

Collection procedures will be refined and provisions will be issued to oversee the conduct and work of Customs and General Tax Directorate personnel more closely. It is hoped that this goal will be met in 2 months.

* 2.3 Million Live in Poverty

90CA0017C Tegucigalpa EL HERALDO in Spanish 15 Mar 90 p 2

[Text] The government met yesterday with members of the Diplomatic Corps and representatives of international organizations accredited in our country to explain the scope of the Honduran Social Investment Fund (FHIS) and ask that all bilateral and multilateral cooperation be channeled through it.

The meeting took place at 1000 hours in the Pink Room of the Government Mansion and was attended by President Rafael Leonardo Callejas, Rodolfo Irias Navas, head of the National Congress, Oswaldo Ramos Soto, head of the Supreme Court, Cabinet members, FHIS Executive Director Alonso Valenzuela, and Ricardo Tichauer, representative of the United Nations Development Program [UNDP].

President Callejas Romero said that the FHIS is a proposal of his government aimed at helping persons most affected by poverty by creating a program that will generate some 70,000 new jobs over the next 3 years.

He added that while an economic recovery program has already been set up to revitalize the economy, the response is slow and it creates more complex conditions for those living in situations of extreme poverty.

The FHIS was also set up with a capital of 25 million lempiras in order to help single mothers and those with land ownership problems and establish food-for-work mechanisms.

The chief of state said the Fund was a resource that would help prevent the scattering of resources and allow openness in the management of bilateral and multilateral cooperation. It will also prevent the dilution of efforts in bureaucratic red tape because the method of operation is simple.

Cold Statistics

Reflecting the accelerated impoverishment of the great majority, 68 percent of the 4.3 million Hondurans, some 535,000 families, are indigent. The number of "new poor" has increased 23 percent in recent years.

In addition, 60 percent of all people living in urban areas are in desperate straits and the same is true of 78 percent of rural people. In short, the level of poverty in Honduras is 68 percent, while 54 percent live in indigence, and 13.8 percent in extreme indigence, making a total of 2.3 million indigents.

Per capita income is $400 a year. The economically active population (EAP) is 1.5 million, while 55 percent of the EAP have employment problems. The number of persons employed in every household averages 1.6.

Absolute illiteracy amounts to 27 percent while functional illiteracy is 37 percent. The housing shortage amounts to 530,000 units and 54 percent of all people are undernourished.

Contributions

The FHIS will not carry out projects, but will only finance them and promote massive employment over a 4-year period so as to help 300,000 Hondurans temporarily or permanently.

As part of the program, the National Congress has approved a sum of 30 million lempiras to subsidize 100,000 single mothers, 10 million to finance a Land Bank, and 25 million to create jobs immediately.

In terms of international aid, 7 million were received from the Canadian Government through the General Counterpart Fund and the Agency for International Development (AID) will transfer 14 million lempiras from its program to generate jobs and donate 10 million lempiras.

The Inter-American Development Bank (IDB) is requesting $15 million in credit to finance production support programs. A delegation from Holland has confirmed the acceptance of a small business program costing $2.1 million. The World Food Program will funnel its estimated $20 million through the FHIS.

The UNDP will donate $290,000 to finance a 5-month technical assistance program and an offer exists to finance a second phase of support for 33 months at a cost of $1.4 million. This year alone, the FHIS will have 65 million lempiras from international agencies and friendly countries.

For his part, UNDP representative Ricardo Tichauer maintained that the fund is a valid and proper alternative for improving the situation of the most vulnerable sectors of the country.

He said that like other Latin American countries, Honduras needs to adopt economic measures because figures on per capita income are dropping, along with statistics on education, health, nutrition, and employment.

Nicaragua

Chamorro on Godoy, H. Ortega, Government Changes

PA3004200390 Managua Domestic Service in Spanish 1810 GMT 30 Apr 90

[Address to the nation by President Violeta Chamorro from Government House in Managua—live]

[Text] Nicaraguans, [words indistinct] accompanied me at the inauguration. [Words indistinct] now that I am installed at the Government House, which henceforth will be called Presidency House, I would like to refer to a few events of considerable national interest. The doors of this Presidency House will be open so that all Nicaraguans, regardless of their political colors, can come here to express their points of view and concerns. This will be a valuable contribution enabling me to fulfill the mandate the people placed upon my shoulders.

I must announce that Vice President Virgilio Godoy Reyes will be working out of another facility, which is currently undergoing renovation, so he can work comfortably at the high responsibilities I will assign him.

I trust that Vice President Godoy will loyally accompany and support me in making the big decisions and in carrying out the complex tasks the Nicaraguan people have asked us to carry out. Loyalty and trust are indispensable in order for the government to act efficiently and in a unified manner for peace and reconciliation among the Nicaraguan people and for national progress.

It is also necessary to understand that the establishment of democracy is a firm process from which we cannot retreat. However, it is a gradual and difficult process. Even if we want to, we cannot achieve our goals in one day. I understand that, in the case of the Army, the people and the political sectors who help me and support me would like to see a drastic and immediate change. However, we must do things properly if we want to guarantee the country's tranquility and stability, even if this means temporary sacrifices. Stability is essential in order to guarantee economic recovery, national reconciliation, and consolidation of freedom.

I have talked to General Humberto Ortega on several occasions. The last time I talked to him was Tuesday night, 24 April. We have clearly stated that he will temporarily remain chief of the Army. I said this on the day I assumed office. This is to guarantee unity and discipline within the Army while the resistance is demobilized, the weapons distributed among the civilians are recovered, and the institutional organization is substantially reduced. Gen. Ortega will be chief of the Army until I decide I no longer need his services, until the day when the tasks I assigned myself, for the good of firm and lasting peace and for political and social stability, are fulfilled.

I will speak of the National Resistance high command. The dialogue is important for a realistic understanding that fulfillment of the peace and demobilization agreements is essential to ensuring stability. The Nicaraguan people must also understand that some measures, even though these may not be to their liking, are essential. We have been forced to make a sharp devaluation [of the national currency] because the economic situation is very serious and the former government made it even worse with its irresponsible last-minute actions. On 19 July 1979 the Sandinist government received from the Somozist regime a monetary reserve of only $3 million. That is exactly the same amount my government received. However, we also inherited an $11 billion foreign debt. This is why it is necessary to adopt strict measures that will allow us, in the short term, to stabilize our currency and prices, thus guaranteeing investment and productive efforts now that this year's agricultural cycle is about to begin.

The Nicaraguan people must have faith that things will get better. As a matter of fact, they are already better because there will be no more Patriotic Military Service and no more state security, an insecurity for the people.

I am going to begin solving the collective bus problem by assigning many IFA trucks to the service of the working class. I also wish to announce that visas to leave the country will be abolished and that I am going to introduce changes in the operations of the National Police. This will also include changes in the uniforms worn by the people's guardians.

I will take this opportunity to warmly greet the Nicaraguan workers on the occasion of 1 May. You can now speak freely no matter what your beliefs are and without the tutelage of imposing organizations. National stability, full democratization, and reconstruction of the economy will depend greatly on freedom of conscience and right to organization of labor unions.

In conclusion, I wish to affectionately greet Dr. Miriam Arguello Morales, the new president of the National Assembly. She will head a pluralistic, democratic, and proportionally representative directorate of the legislative branch. I am convinced that we will work in harmony, with political maturity, and with a patriotic spirit of unity and national reconciliation guaranteeing the separation and democratic balance among the powers of state, thus respecting the supreme interests of the Nicaraguan people and in accordance with the democratic de jure state we are beginning to build.

God bless all Nicaraguans; may He guide them in the search for peace, national reconciliation, stability, economic stability, and freedom. Thank you, my dear friends.

Renews Pledge To Reduce Army

PM0105114290 Barcelona LA VANGUARDIA in Spanish 25 Apr 90 p 2 (Revista section)

[Interview with Nicaraguan President Violeta Chamorro by Joaquim Ibarz; date and place not given]

[Excerpts] [Passage omitted] [Ibarz] The contras, like some UNO [National Opposition Union] leaders, are skeptical about whether the Sandinistas really want to relinquish power. Deputy President-elect Virgilio Godoy says that the new government will be like a mummy, bound hand and foot...

[Chamorro] If Mr. Godoy told you that, he is mistaken. Perhaps he will not want to be in my government. It is I who will govern. Perhaps he lacks confidence, belief, and faith in God. We are going to work for the good of our homeland, because we are seeking reconciliation, peace, and forgiveness. Perhaps Mr. Godoy does not know me well enough, because it is presidents who hold the power. Neither the deputy president nor the ministers have it. Something historic has happened in Nicaragua, which is why there are so many rumors and so much gossip. The world's eyes are turned to this small country of 3 million inhabitants.

[Ibarz] UNO leaders seem very annoyed about the pact that your son-in-law, Antonio Lacayo, signed with the Sandinistas. What is the scope of this pact?

[Chamorro] First, I dislike the word "pact." There is no pact here with anyone. The only pact that we have is with the Nicaraguan people—for reconciliation, understanding, and forgiveness. Everyone is entitled to stay and live hee. What happened in Spain after Franco died? Did the same policy and the same army not continue after Franco died? Well, I will reduce our huge army. This is not the first time I have said so; I have repeated it several times during my campaign. I will gradually reduce the number of troops. [passage omitted]

[Ibarz] Will you give the order to fire on the contras if they do not lay down their weapons and integrate normally into civilian life?

[Chamorro] No, I will never give the order to kill. They must be persuaded to disarm, without the need for more shooting and bloodshed. They signed a pledge to relinquish their weapons, and I am confident and sure they will honor it and not fight anymore.

[Ibarz] How can you trust the contras to hand over their weapons?

[Chamorro] They signed a pledge that obliges them to disarm before 10 June. For our part, we will reduce the army and truly democratize the country. Otherwise, I would not take on the presidency.

[Ibarz] What will you do with all the weapons that exist in Nicaragua?

[Chamorro] First, I said that they should be thrown into the lakes and volcanoes. I believe we could melt them down and use them to make tools and a monument to peace.

[Ibarz] Do you think it is all right for Ortega to speak at your inauguration ceremony?

[Chamorro] It is neither normal, nor a good thing. I have never seen an outgoing president speak. But if he wants to speak, then let him! As long as he does not speak for two hours... Let him speak for a little while; we are for peace and reconciliation. We shall see what he says. [passage omitted]

Godoy Says UNO Coalition 'Not in Jeopardy'

PA0105025490 Madrid EFE in Spanish 0219 GMT 1 May 90

[Text] Madrid, 1 May (EFE)—Nicaraguan Vice President Virgilio Godoy has said that the National Opposition Union coalition, which won the elections in his country, is not in jeopardy. However, he admitted that the unity of the parties which comprise it is at stake. [sentence as received]

In a statement published by the Spanish daily EL MUNDO, Godoy said that the coalition is not ruling the country and is instead simply on the government's side, giving what can be called critical support, without assuming any responsibility for the executive's actions.

Godoy described the inauguration ceremony on 25 April as folkloric, noting that for the first time an outgoing government imposed its criteria on the incoming government.

Regarding General Humberto Ortega's appointment as commander of the Army, Godoy said that he is a symbol of war and violence in Nicaragua and therefore is the least suitable person for the post.

Godoy stressed that the fact that he does not have an office at the Government House is not important, adding that he identifies with the Nicaraguan people in carrying out his duties.

Comments on H. Ortega's Future

PA0105000390 Panama City Radio KW Continente in Spanish 1200 GMT 29 Apr 90

[Interview with Nicaraguan Vice President Virgilio Godoy by Maribel Saldana; date and place not given—recorded]

[Text] [Saldana] We are talking with Nicaraguan Vice President Dr. Virgilio Godoy concerning Nicaragua's new policy. I would like to know your position on national amnesty as a method of reconciliation during the new government.

[Godoy] Over the past 10 years we have endured a disturbed life that produced serious wounds in society. There were affirmative and negative sectors in all groups

and institutions. We have to correct this situation to be able to work toward reconstruction of the country.

As Violeta Chamorro has said, to achieve this, it is necessary to have a positive attitude and to look at the past only as a point of reference so that we do not fall into the same errors of the past. This also means, as Violeta has said, that we will have a clean start. A general amnesty is to forget abuses that could have been committed in the past to be able to have a new start, as we did on 25 April.

[Saldana] Dr. Godoy, I would like to know your views on retaining the Sandinist Army and Commander Ortega. Do you think this could represent an obstacle to democracy in your country?

[Godoy] There are two aspects to be considered. One aspect has to do with political democracy. Personally, I do not believe it is possible to initiate a real democratization process in a society as militarized as our society is right now. There will have to be a plan to demobilize the troops and to develop the country. The other aspect is that a military payroll like the one we have now makes the country's economic reconstruction impossible, because it takes too much of our resources.

Therefore we believe that the Army should be significantly reduced to levels compatible with the country's size and resources. Concerning the retention of General Ortega, we have said that he is a subject of pressure because he is viewed as a symbol of war and violence and this generates very strong reactions. We believe that even though he has been confirmed in his post as Army commander, his presence there will be for a relatively short period of time.

[Saldana] When is this Armed Forces reduction to take place?

[Godoy] We do not know because this reduction depends on a program we have not yet finished preparing. Eventually, it will be carried out gradually, because it is important to guarantee the reinsertion of the military into civilian society under conditions that will permit them to find a job.

[Saldana] What corrective measures do you think should be adopted right away to secure the democratization of Nicaragua?

[Godoy] We are already working on some programs. We believe that we need to establish rules, because for more than 10 years the Nicaraguan people had to endure a process of ever-increasing [word indistinct] regulations.

We believe that the revitalization and promotion of new values in the civilian population is the starting point of [words indistinct] in our country.

Contra Letter Questions Appointment of H. Ortega

PA0105015290 Managua Radio Corporacion in Spanish 2348 GMT 30 Apr 90

[Letter from Southern Front to President Chamorro; read via telephone by "Commander Johnny"—live]

[Text] Mrs. Violeta Barrios de Chamorro, president of Nicaragua:

Dear Mrs. Chamorro:

Through this means, the fighters of the Southern Front of the Nicaraguan Resistance [RN] want to advise you of the following:

First, we want to congratulate you for having become the first president elected in our fatherland in a democratic manner. Throughout our turbulent history, this is something that pleases us and [words indistinct] we feel this is part of achieving a goal through the sacrifices that took the lives of thousands of our brothers, mostly poor peasants and [word indistinct] many of them unknown.

However, the democratic celebrations have been marred by the questionable appointment of Army General Humberto Ortega. You, dear lady, will now be ruling under the shadow of terror, death, genocide, corruption, and misery, and under the shadow of the nine traitors who murdered General Sandino on 19 July 1979 and who murdered the martyr of public freedoms, Dr. Pedro Joaquin Chamorro. Dr. Chamorro was betrayed in his struggle for freedom and democracy [words indistinct] against the dictatorship of the Somozas and he would probably have struggled against these events.

For his sake, think it over; think it over inasmuch as 51 percent of our people who voted for you also voted to see the end of the structures of the party and army that for 10 years created the most outrageous state for our fatherland and our people. Do not be misled by the advice of those who have never been interested in the fate of our dispossessed, who are the absolute majority.

Do not be deceived by the lack of knowledge of those who have never suffered anything and are not interested in those who suffer, such as the unemployed who have large families, the peasants without any land and many debts, the students who have no future or hopes, and the mothers who have lost their children because some generals who thought they were God decided to play war and send thousands of youths to their deaths. There are many orphans from the conflict [words indistinct]; children who early one morning saw assassins disguised as defenders of the people and sovereignty torture and murder their parents in cold blood. Remember the thousands of refugees who, with great sorrow, had to leave their homes and suffer as miserable human beings. They suffered in a style that was not the style of Alfredo Cesar or Alfonso Robelo. They were the poor who never allied themselves with the communists and who preferred to endure poverty and desolation. They never

owned any enterprises—half communists and half capitalists—which left juicy profits [words indistinct]. They are not the Antonio Lacayos; they are the miserable ones who voted for you.

Yes, but they also voted to see the end of all this misery and repression. If you do not believe us, go to the market and talk with the vendors, those women with faces wrinkled by the sun, who have the intelligence of Ruben Dario [word indistinct], and the courage of Benjamin Zeledon, Sandino, and even Dr. Chamorro. Do not continue with the totalitarianism of the nine commanders, and remember that one general is enough.

Remember that our people never supported Somozism without Somoza.

[Signed] Commander Oscar, Franklin Delgadillo; and Manuel Urbina Lara.

Ferrey Notes H. Ortega Not on Talks Agenda

PA3004230990 Managua Radio Sandino in Spanish 1955 GMT 30 Apr 90

[Text] Roberto Ferrey, head of the new government delegation in talks with the Somozist mercenaries, said in a news conference today that a discussion of General Humberto Ortega remaining in the military is not on the agenda of talks planned between the contras and the government on 2 May in Managua. Ferrey said that only the guarantees for the counterrevolutionaries, called for in the Toncontin Agreements and the Tela, Honduras, presidential accords, will be discussed.

[Begin recording] [Ferrey] It is being said that the accords are not being complied with, that the Nicaraguan Resistance [RN] is rebelling, and that headlines in the newspapers are not helping the situation. The idea behind and the purpose of releasing this information is to inform the Nicaraguan people that the process is underway; that both sides have shown a willingness to comply with the accords and this willingess is expected to continue; and that the last stage in fulfilling the agreements should be attainable. Once and for all a firm and lasting peace will be established in our country, as called for by the Esquipulas accords. Massacres, arms races, and militarism, which has been the cause of so much trouble, should stop permanently.

[Reporter] Regarding what you said, there are two very important aspects for our people to consider. Approximately 13,000 RN men have already gathered at the security zones. In addition, the armed cooperatives have lent their cooperation.

[Ferrey] Right. This demonstrates the willingness of thousands of men to end their activities and move to predetermined security zones. The accords say that once the men are in these areas then demobilization is the next step. In addition, Sandinist cooperatives are surrendering their weapons, which are being collected by ONUCA [United Nations Observer Group in Central America]. Army troops have let rebels pass through without any further confrontations, fighting or deaths. In addition, the sick and wounded rebels have been allowed to go to clinics and health centers. All of this demonstrates that the people in this country do not want war or violence any more. We want to initiate a process of democracy, freedom, and true democratic institutionalization in Nicaragua.

[Reporter] [Words indistinct] reached the deadline for this stage.

[Ferrey] The date is 10 June. According to the ONUCA military technicians, it is possible to meet the deadline for complying with all of the accords if the rebel troops gather as planned. [end recording]

Liberal Leader Admits UNO Might Reorganize

PA0105045190 Paris AFP in Spanish 0301 GMT 1 May 90

[Text] Managua, 30 Apr (AFP)—The ruling National Opposition Union (UNO) "is experiencing a crisis, but it is not divided," Liberal leader Jaime Bonilla said on 30 April. However, he admitted that the alliance might be reorganized with the exclusion of at least two of its 13 parties.

In a news conference, the Liberal politician, a close associate of Nicaraguan Vice President Virgilio Godoy, also admitted the existence of "problems" between the UNO Political Council and the "government of President Violeta de Chamorro," which took office on 25 April.

Bonilla, also a Liberal Party deputy, predicted that there will be a "reorganization" of UNO on the basis of a "reduction" in the number of parties which comprise it. Regarding this point, he said it "will be very unlikely that parties such as the Nicaraguan Socialist Party (PSN) and the National Action Party (PAN) will remain in the alliance."

The crisis in the ruling coalition emerged on 24 April when some of the UNO deputies broke an internal commitment to vote for candidates in the election of the National Assembly leadership.

Eight of the 13 parties which form part of UNO accused Antonio Lacayo and Alfredo Cesar, trusted aides of President Chamorro, of establishing an alliance with the Sandinists to the detriment of the interests of the coalition.

"It is time that Mrs. Violeta Chamorro plays a more active role in decisionmaking," Bonilla said, clearly referring to Lacayo and Cesar's preeminence in the current administration.

Regarding the state of relations between Chamorro and Godoy, the Liberal leader explained that "the relations fall within the same framework as the current situation between UNO and the government represented by Lacayo and Cesar."

Asked about the issue of the Armed Forces, Bonilla said "we do not accept that General Humberto Ortega's retention in the Armed Forces is linked to an overall policy of concerted action with the Sandinists."

Regarding the contras, whose disarmament is scheduled to end 10 June, Bonilla said "there must be negotiations with them; they must be heard and they must listen to us."

Cuadra Turns Down Construction Ministry Post

PA0105013190 Managua Radio Corporacion in Spanish 1200 GMT 27 Apr 90

[Text] I cannot share the government with a warmongering man, such as Humberto Ortega, who, for 10 years, threatened opposition members with death to the point where he told them he would hang them from the trees, Gilberto Cuadra Solorzano has said.

The leader of Nicaraguan private enterprise was offered the post of minister of construction and transportation, but one day prior to the inauguration, he decided to resign even before he was sworn in. Gilberto Cuadra Solorzano now explains why he resigned the post he was offered in the cabinet of Violeta Barrios de Chamorro.

[Begin recording] [Cuadra] Yes, that is true. I did not want that information to be made public, as I believe I am doing this out of principle. First of all, I represent COSEP [Higher Council of Private Enterprise], and besides I do not want to participate in the Cabinet. As a member of the private sector, we do not agree with the way certain things are being handled. Personally, I do not agree with these situations, particularly with the presence of General Humberto Ortega as army chief.

As a member of COSEP and as a private citizen, we believe that situation is detrimental to strengthening democracy and to fostering an opportunity for our people to be freed of the symbols of militarism and destruction, as well as the symbol of a general who offered three or four times to hang his opponents from trees along the highways. He offered death, and he offered to create a monstrous army of 600,000 men. We believe that such a person cannot change overnight. He cannot change his attitude, and he will be a very heavy burden for the people to accept in the new Violeta Chamorro government.

Inasmuch as our principles are opposed to all of this, we do not wish to struggle against a situation that would be very sad for all of us, and we prefer not to accept this appointment.

[Reporter] Mr. Cuadra, will you continue to be an adviser of Violeta Chamorro?

[Cuadra] I believe these circumstances will also come to an end, because apparently my advice is not being accepted. Therefore, I believe that as president, Violeta Chamorro is free to appoint new advisers who will support her and give her strength within the line of government she is planning to follow, such as the search for reconciliation. That seems to me to be something it would be very difficult to share, not only with a man, but with a militarist system. This could harm her very much, both as president and a private person.

[Reporter] What did Violeta Chamorro say when you said you would resign?

[Cuadra] I prefer not to comment on this, as I believe some things should be left private. I will just say my resignation has been accepted.

[Reporter] Do you think Violeta Chamorro is being manipulated? [Words indistinct].

[Cuadra] I would say that the entire previous government team exerted strong presure on certain persons. They exerted so much pressure that they made them think that without the participation of the Armed Forces, all of its structures, commands, and men, there would be a situation of disorder, chaos, bloodshed, threats. Under such circumstances, a very reduced group of persons ended up [words indistinct] way of thinking, and she yielded.

[Reporter] What do you think about Miriam Arguello being elected [president of legislature] and the FSLN [Sandinist National Liberation Front] ending up with a majority, which means that UNO [National Opposition Union] is now a minority in the assembly?

[Cuadra] Well, I would not say that the UNO is in the minority in the assembly. The truth is that there is evidently a very premature division—even before the actual work has begun—and this is disturbing. This individual has had a political history of disrupting things and, unfortunately for Nicaragua, this has been promoted by Violeta Chamorro. I would dare say that Violeta Chamorro is going to give the impression that she is promoting a division within UNO.

[Reporter] Recently, Mr. Ramiro Gurdian said that [words indistinct] if Humberto Ortega became a member of the cabinet, Nicaragua would not receive any assistance. Do you share Mr. Gurdian's point of view?

[Cuadra] There are various opinions. I think assistance will come, but it seems it will be somewhat reduced and it will be slow. That is something that worries me and I would like it to be the opposite, that we received the assistance quickly and in good, substantial amounts. However, I would say we have to allow a little more time. Sometimes, hot tempers produce decisions that are later regretted.

That is why I would like to ask the Nicaraguans to fully support Violeta Chamorro, Virgilio Godoy, and Miriam Arguello, so they can rule this country and can quickly comply with the promises they made to the people that there would be reconciliation and that this would be a government for all Nicaraguans. However, we do not want that scorpion inside our shirts.

[Reporter] One last question, Mr. Cuadra. It has been reported that Jaime Icabalceta [words indistinct]. Could COSEP [words indistinct]?

[Cuadra] I believe Mr. Icalbaceta is a person who has been devoting much time and attention to Violeta Chamorro's campaign. He is a very serious man, and we respect his decision. When he becomes a minister, he is no longer president of CONAPRO [National Confederation of Professional Associations], but that is a decision he must make on his own. He is no longer part of COSEP. [end recording]

PDC Leader Declines Post as INAA Director

PA3004024190 Managua Radio Corporacion in Spanish 2300 GMT 27 Apr 90

[Text] Agustin Jarquin Anaya, leader of the National Democratic Confidence Party declined an appointment as director of the Nicaraguan Water and Sewage Institute [INAA] today.

Ana Maria de Gutierrez, finance secretary of the Christian Democratic Party [as heard] headed by Jarquin Anaya, confirmed this report. Our party disagrees with the retention of Humberto Ortega in the Army and Agustin's decision reflects that, Gutierrez said.

The presidency has not yet announced who will be appointed director of the INAA.

Borge Comments on Changes, Demobilization

FL3004184090 Havana Tele Rebelde Network in Spanish 1700 GMT 30 Apr 90

["Portion" of "exclusive" interview with Commander Tomas Borge, former interior minister, by reporter Ricardo Muro in Managua; date not given—recorded]

[Text] [Borge] The fact that in Nicaragua the Sandinist Front, for example, has lost the elections or that political changes have occurred which seem irreversible in some European countries, is nothing more than a prelude to other changes that will be much more vital to humanity. They are positive changes. I think that man will recover and that the bells that once announced the birth of revolutions continue to be intact and will ring again, and the red flowers of revolutionary ideas will once again be born.

[Muro] Commander, a topic of much discussion now in Nicaragua is the demobilization of the Nicaraguan counterrevolutionaries. Do you really think this disarmament will occur?

[Borge] That is unknown, but some responses have already been made. First, they isolated themselves in an international context. No one will obviously support the counterrevolution, but the United States must be behind the decisions that the counterrevolution makes, although it is likely that some of them have acquired a certain degree of independence; not political independence, but operational independence which does not completely coincide with the will of the U.S. Government. They have their own project and will not resign themselves to defeat.

This is not the natural thing to do. On the one hand, they signed an agreement, which is a kind of death sentence for their project; on the other hand, they have made contradictory statements. I have serious doubts that this conflict will be resolved easily. I think there are elements that indicate it is not possible for them to continue waging war, but they have placed themselves in certain positions in accordance with the agreements which are of a strategic, military nature, that constitute a risk; a danger.

Mayorga Blames Devaluation on Sandinist Economics

PA0105043390 Managua LA PRENSA in Spanish 28 Apr 90 pp 1, 16

[Text] Dr. Francisco Mayorga, president of the Central Bank, told LA PRENSA today that the devaluation of the cordoba is the result of the Sandinist economic policies.

Concerning the case of the bank managers whose removals have caused certain unrest, Mayorga said that Antonio Medrano has not been dismissed, and that the president of the Republic is studying his situation and that of the other official.

"Everyone knew," said Dr. Mayorga, "that the cordoba was devalued to 140,00 to one. That was the price on the street. The previous government had frozen the exchange rate at the parallel market to 70,000 to one. At that time, the people having access to the exchange houses made fabulous deals 'reselling' the dollar on the street at 130,000 or 140,000 for one, winning twice as much in the transaction."

Mayorga added that "a few won at the expense of the majority of the people. In addition, the exchange houses were left without dollars during the last days of the government. We have also found the Central Bank to be in a very precarious situation."

While dollars are somewhat scarce, we must cope with the reorganizations offered by the previous government.

We must also inject many more cordobas to pay the salary increases the Sandinists approved as "going away gifts."

Th s means that we have been left with too many cordobas and very few dollars. Thus, this increase in the price of the dollar has been caused by the Sandinist government," Dr. Mayorga explained.

As for the removal of high-ranking financial officials, Mayorga said that he has been talking with the banking labor unions, and the majority of the employees have the responsible attitude of going back to work next Monday morning.

The banks will open due to their responsibility for Nicaragua and Nicaraguans, which is a responsibility greater than any other.

Mayorga said that it is normal when there is a change of government, the new authorities want to appoint persons of the new work team to key positions of the various institutions to act according to the new plans of the new government.

"It was announced that there were plans to renew the executive directors of the banks, leaving open the possibility that the outgoing directors could serve as advisers in other high-ranking positions within the reorganization of the Financial Corporation and of the nationalized banking system that is about to begin.

Mayorga said that some persons "have the mistaken idea that the new government cannot remove the directors of the banks because they believe that they are protected by the Civil Service law, but this law is for protecting employees and not for those who occupy high-ranking positions who could well be changed, according to the interests of the new government.

Mayorga said he had an excellent personal opinion of Mr. Medrano. "What happened here is that Antonio Medrano and Luis Angel Montenegro are well respected by the bank employees. They have been very good to their personnel, and the employees appreciate them very much."

Furthermore, the situation with the workers has been that of a frank dialogue in which their demands have been carefully listened to by the new government.

Mayorga said that "he explained to the workers that to express support for Medrano and Montenegro, it was not necessary to stage a banking strike and that undue pressures would not contribute to good decisions."

Mayorga added that the workers have agreed in principle to return to work out of respect for President Violeta Chamorro, while their petition is being considered.

"They agreed to go back to normalcy on Monday and that during the week the president will study their issue and resolve it as she deems most appropriate," Mayorga concluded.

Editorial Criticizes Contra Refusal To Disarm

PA0105022490 Managua BARRICADA in Spanish 28 Apr 90 p3

[Editorial: "The Real Obstacle to the Contras' Disarmament"]

[Text] The contras' refusal to disarm is the greatest and most evident threat to the country's stability. Anyone, who for one reason or another, abets this refusal is acting against national security, the government's stability, and the country's peace.

Vice President Virgilio Godoy is abetting and even justifying the contras' position. His rash attitude might result in tragic consequences for the country, besides being incredible disloyal to his countrymen.

To claim that the contras are not disarming because General Humberto Ortega is still heading the EPS [Sandinist People's Army] is absolutely false and unreal. Even worse, it is a pretext designed to question the legality of the Chief Executive.

Godoy's attitude is very dangerous for the country, because it seems that our new vice president is willing to climb over thousands of corpses as long as he gets "grist for his mill."

The campaign to justify the contras' refusal to disarm on Gen. Ortega's presence in the EPS is false for three obvious reasons:

1. The problem is "Franklin", not Gen. Ortega: If the contras do not disarm, it is because Franklin, Ruben, and Aristides Sanchez do not have the political desire to comply with the agreements.

The reason for the uncertainty and the refusal to disarm, is based on the political project of Franklin and Sanchez, which is backed by the extreme right represented by Godoy, Jaime Cuadra, and other minority UNO [Nicarguan Opposition Unity] sectors.

The U.S. Government is solely to blame if the war is to continue and the contras refuse to disarm. If the United States wanted it, the contra would already be disarmed, because it is completely false that the contras are autonomous. They have never been, they are not now, and they never will be autonomous.

2. The contras are after their share of power: The contras' problem is not one person (Humberto Ortega). They have admitted that their aim is to destroy the entire EPS structure. Ortega is only a pretext.

The contras' basic idea is to revive the false thesis that the EPS and contras are on an equal footing, and therefore claim a share of power, overriding the law, the results of the elections, and international agreements, to emerge as a political-military force to replace the EPS. Or to become de facto a paramilitary force allied to the quasi-fascist sector of the UNO.

3. It is a threat to the entire nation: Neither Violeta Chamorro, much less the people, can accept this possibility contained in the simple formula that "if Humberto goes, the contras will disarm."

The political blackmail brandished by Franklin and Godoy can only lead to greater deterioration of the political and social situation and a violent confrontation from which no one will emerge unscathed.

It is altogether unjustifiable and unacceptable for an unconventional force that has been ordered to disarm

and disband, to seek a share of power and to blackmail a constitutional and legitimate government.

As a "political deal" to the president, this proposal, besides being highly dangerous, is frankly a bad business deal. Why? Because in this deal the government has everything to lose and nothing to gain. Who will guarantee to the president that after they ask for the finger they will not ask for the whole hand? Can the contras guarantee this? Can Godoy or the yankees guarantee it? Can the government expose itself to a slaughter that will destroy not only the Sandinists, but the chief executive as well? Do Violeta, the contras, or Godoy believe that the Sandinists will let themselves be killed like lambs. To play with blackmail is to play with fire.

It is shameful for the vice president to back the presence of armed contras, which is an attack against the nation. This attitude bares Godoy's pettiness as a political leader. He is incapable of subordinating his exorbitant thirst for power and his personal squabbles to national interests. We should expect at least some small patriotic gesture from him, even if for the sake of his position. However, it seems that this is improbable.

The people must demand that the contras, and even Godoy, be disarmed. After all, he is also placing himself outside the law. Why should we let him keep acting with impunity? Are we forgetting that Godoy was stripped of his immunity because of a shameful scandal?

Commentary on Perspectives of Government

PA0105033790 Managua BARRICADA in Spanish 28 Apr 90 p 3

[Commentary by Augusto Zamora: "Welcome, Madame President"]

[Text] A series of accidents have put in your hands a transcendental phase of Nicaragua. You won the presidential elections as the candidate of a sui generis coalition that included pagans and believers, atheists, and pious people. Your fate decided that you are to govern a country enduring an economic and post-war crisis provoked by your powerful allies, who did all they could to leave Nicaragua in ruins.

It will be necessary to act with imagination, pragmatism, and a sense of love for the nation to overcome the current situation and pull the fatherland out of the hole it is in right now. The first inescapable task to be faced is to dismantle the contras, because there cannot be peace and stability as long as this irregular force that brings so many sad memories is armed and burdening the Nicaraguan people.

The president will have to earn the trust of the people of the National Opposition Union, of the Sandinists, of politicians, and of nonpoliticians by making everyone see that your government will not seek to reverse history or undo what has been done, which is impossible to do; that you will respect the institutional framework; and that all of us will be able to feel safe to work and pull the country out of the economic crisis.

In addition to inheriting the crisis, the president is receiving a country with solid international prestige. After 10 years of intense struggle, Nicaragua has earned a prominent place in the community of nations; we are proud to say we are Nicaraguans. At all international forums, much honor was gained for the fatherland, for which we secured many important victories.

We joined the Nonaligned Movement and became one of its most active members. Nicaragua's latest proposal at that forum was to celebrate the Decade of International Law to enhance the weight of law in international relations and to turn peaceful means into the instrument par excellence for the solution of conflicts. Your government will have to either maintain this kind of effort or leave the bench—that Nicaragua earned with so many efforts—empty.

Despite the firm opposition of the United States, we secured a seat in the UN Security Council; our election to that seat was backed by a lengthy ovation in the UN General Assembly. We defeated the United States at the International Court of Justice in what has been described as "the trial of the century" and that country now has the inevitable obligation to pay Nicaragua an indemnity for the damage it has inflicted. Honduras has also been accused in The Hague, because without that country's participation, the war against Nicaragua would not have been possible. The government of the new Nicaraguan president has the unavoidable obligation of continuing to defend the inalienable rights of the Nicaraguan people.

We have also defended with zeal the territorial rights of Nicaragua in light of the intentions of countries that, encouraged by the yielding policies of the Somozist regime, were turning our patrimony into a pinata.

On 4 February 1980, you signed a historic decree defending our sovereign rights in the Caribbean. Now we must move immediately to defend Nicaragua's interests in the Gulf of Fonseca and we hope your government will take on this defense with the seriousness and patriotism that the matter requires.

So, you are receiving not only a crisis. You are also receiving the huge prestige Nicaragua has earned internationally. You are being tasked with work that must be maintained, and you are receiving a country that enjoys advantages that the Sandinists did not have. You will not have to face a hostile big power waging war on you for disagreeing with their policy. No one will be dynamiting fuel storage tanks in Corinto, or mining the country's ports, or bombing the airport. That power has proclaimed its love for you, although you should remind it that love means deeds and not pretty words and that it must pay for what it owes us...soon.

You will not have to face, God willing, a mercenary force that destroys cooperatives, kidnaps and kills peasants, sets schools and medical centers on fire, and dynamites bridges.

You will not be confronted by a troglodyte opposition that boycotts production, takes capital from enterprises, promotes instability, works against credit and assistance for the government, and incites war, blockades, and embargoes.

On the contrary, you will be facing an opposition that will do everything possible to defend peace and reconstruction in the country with a spirit that is characteristic of Sandinism, an expression of our Nicaraguan nationality. You will have the cooperation of a country that craves peace and well-being and that is not disposed to renounce, or permit the defeat of, rights gained with many sacrifices.

In conclusion, you will have what we did not have, but if you look, you will find that despite all our limitations, the work of the revolution is evident everywhere in the fatherland. Your challenge is to improve on what has been done and ours is to cooperate so that you succeed, but also to struggle to keep our national independence and the work of the revolution from danger.

Your main obstacle is not the united Sandinist opposition, but the extremists that exist in the heart of your coalition, in the feeling of revenge and hatred of people who would be willing to spill more blood to see the destruction of Sandinism. Your main external ally could represent another main obstacle if it tries to reestablish its imperial domination in this land defended by the spirit of Sandino.

For this reason, Madame President, be more careful than Caesar was so that you will not have to exclaim in surprise, like Caesar did: "You too, my son?"

Welcome, Madame President. Your challenge is a big one, and Sandino is watching.

Panama

Editorial Wants Use of Frozen Funds Investigated

PA0105034290 Panama City LA ESTRELLA DE PANAMA in Spanish 29 Apr 90 p A-4

[Editorial: "The Use of Frozen Funds in the United States"]

[Text] In March of 1988, by request of former President Eric Arturo Delvalle, more than $50 million that had been deposited by the National Bank of Panama was frozen in several banking institutions in the United States. The judicial action, which had the support of the U.S. Government, inflicted serious damage on the national economy. Months later it was revealed in public statements by the former president himself that despite the freezing, which was ordered by the U.S. State Department, the funds were being used to keep the Panamanian Embassy in Washington running and to carry out activities, which, for the most part, were directed at undermining the structures of the Panamanian Government at the time. Up until now, the exact amount used has not been disclosed but is believed to be more than $10 million.

Providing more details on the use of those funds, former President Delvalle told local news media that the funds were being used with the authorization of the U.S. authorities to provide financial assistance to Panamanians in exile, to cover the expenses of certain consulates, and to operate a clandestine radio station. We have to consider the fact that the frozen money, which belonged to the National Bank of Panama, was the property of the Panamanian people. In addition, we have to take into account that according to our laws, no foreign government has the right to authorize the use of those funds. Under those conditions, the use of over $10 million belonging to the Panamanian people without the participation of a single Panamanian authority constitutes an abuse that should be seriously investigated by the Comptroller General's Office.

The country has seen how comptroller Ruben Dario Carles has been investigating the handling of funds for the past 21 years with honesty and firmness. The use of over $10 million from the frozen funds of the National Bank of Panama, by authorization of a foreign government, deserves to be investigated by the comptroller. It would be interesting to see a complete report on the huge expenditures to pay for maintaining the diplomatic missions that were recognized only by the U.S. Government, the expenses of the Panamanian exiles, as well as the amount paid for the maintenance of clandestine media. This situation has no precedent in the nation's fiscal history.

That certain Panamanian officials or former officials used our government funds, inconceivably authorized by a foreign government, to conduct activities against national state institutions, sets an unfortunate and unusual precedent that must be resolved to the ultimate consequence by the Comptroller General's Office.

Just as the Panamanian people have been learning of the charges that have frequently been made by the Comptroller General's Office on the poor use of public funds, we expect the same in the case of the more than $10 million that was authorized by the U.S. State Department and that belonged to the National Bank of Panama. We are sure that the results of such investigations will not be delayed for the benefit of our people, who want equal justice for all and without the usual discrimination

LA PRENSA Criticizes Trust of Public Force

PA0105035590 Panama City LA PRENSA in Spanish 30 Apr 90 p 1

[Editorial: "It Is an Issue of Trust"]

[Text] When it was announced that the Public Force would be created with former members of the Defense Forces, many people warned about the grave dangers inherent in trying to turn military personnel humiliated by defeat into policemen that respect the laws and rights of citizens. The coverage that the media has given to the arguments in favor and against the decision make it unnecessary for us to repeat them. What is relevant now is to examine the concrete results of the government policy on the Public Force to determine whether it is serving the purpose for which it was created.

After a number of mass escapes by prisoners from various jails throughout the country, the attorney general disclosed his concern about irregularities regarding the custody of some prisoners, and he even recounted the case of a prosecutor who saw a military man, who was supposed to be in jail, moving about freely. When he paid a surprise visit to the Metropolitan Police station in Panama Viejo, the attorney general himself met in a corridor a captain who should have been under arrest in the Chitre jail. Therefore, he concluded that "no member of the Public Force should have the keys to a jail, either to imprison or release a prisoner." The following day, the government and justice minister said he was surprised by the attorney general's statement, adding that "at no time has the attorney general told me of alleged irregularities in the custody of prisoners nor of his concern that this situation would permit possible escapes."

Weeks earlier, the general director of customs criticized the Judicial Technical Police [PTJ] for refusing to act in a cocaine-smuggling case. The customs director stated that the PTJ director publicly admitted that "he had ordered the PTJ not to get involved in the case and that he will have to take responsibility for this refusal because in the country there are laws that punish government officials who do not perform as they should." Members of the Attorney General's Office have also complained that the PTJ is not serving the arrest warrants issued by the proper prosecutors.

As is public knowledge, charges of torture and other crimes have been made against some military personnel in the Public Force, and in these cases, even before the Attorney General's Office has begun the appropriate investigations, high-ranking government officials and their fanatical followers have hurried to proclaim the innocence of the accused, groundlessly attributing devious objectives to the accusers.

Two distinguished magistrates of the Directorate for the Recovery of State Property [DRP] have now voiced very serious and concrete charges about the Public Force's interference in their tasks; and the government, instead of listening and investigating, has already decided whether the charges are true or false, rejected them, and stated that the magistrates are irresponsible. The government is sure to say the same thing about the special prosecutor who has brought charges against the PTJ director.

The government, in terms that bring it no honor, reacted by defending the Public Force and its leaders, but it is evident that many high-ranking officials; such as the country's attorney general, various prosecutors, the general customs director, and the DRP magistrates; have reason to believe that such a defense is not well-founded.

Meanwhile, the common people, astonished by what has occurred and concerned about the new use of the old dictatorial tactic of accusing the accusers, ask themselves what more must occur before the government has the courage and the responsibility to admit that it made a mistake and that it must thoroughly review the concept and the composition of the Public Force if it honestly wants to create the necessary conditions for the justice the Panamanian people have struggled for. If the president insists on reiterating his trust of the Public Force, it is not difficult to predict that the majority of Panamanians will end up losing their trust in the government leaders.

Authorities on Investigation of Justines Case

PA0105002890 Panama City EL PANAMA AMERICA in Spanish 30 Apr 90 p 1

[Text] The Panamanian authorities announced yesterday that six people have been arrested, among them a National Police officer and an officer of the former Defense Forces, who were presumably involved in the kidnapping and subsequent murder of former Colonel Marcos Justines' grandson.

The Government Ministry and Attorney General's Office announced at a joint news conference that over the weekend five people were arrested and that they have "confessed" to having participated in the kidnapping and to having made telephone calls to the Justines family to demand a ransom for the release of the minor Marcos Melquiades Rodriguez.

Leslie Loaiza, chief of the Technical Judicial Police (PTJ), said that two low-ranking policemen and an equal number of civilians were also "heavily involved."

The only detainee who has been named is Cancio Tason, the son of Marcela Tason, the former secretary of deposed General Manuel Antonio Noriega. Cancio is a graduate of the Chorrillos (Peru) Military School. Attorney General Rogelio Cruz explained that for the time being, "names will not be disclosed because the principle of presumed innocence must be respected."

Loaiza said that his investigations have revealed that the kidnapping of Justine's grandson had been in the making

for "some time," through the observation of the child's family's habits, and he also said that the perpetrators believed they would receive the ransom within "a few hours."

Loaiza added that judging from his experience, he believes that following the kidnapping, the child "did not live long; I would dare speculate that he lived no longer than 24 hours."

Attorney General Cruz said that the causes of the child's death have not been determined yet, but everything seems to indicate that the child was kidnapped and subsequently taken to the area on Juan Pablo II Avenue where his remains were found. He also gave assurances that the Justines family "did not pay the requested ransom, but I do not believe this was the motive for the child's slaying."

Cruz said that among the detainees are the "actual perpetrators" of the kidnapping and one of its masterminds, but he did not dismiss the possibility that other people were involved.

Even though Cruz said that investigations concerning an international connection in the Justines case "have not concluded," hours earlier, the PTJ chief had said on Radio Continente that attempts have been made to "intimidate him through domestic and foreign elements," at the "highest levels of the mafia," to prevent the crime from being resolved.

Loaiza made these remarks upon defending himself from the accusations leveled by Special Prosecutor Rodrigo Miranda, who involved him and other members of the PTJ, the Public Force, and former military men in the death of the child Marcos Melquiades Rodriguez. The PTJ chief explained that Miranda's accusations are not part of the [intimidation] campaign he had denounced.

Loaiza said that from the time Justines' grandson's case opened, "many falsehoods have been leveled" against him, including "serious and ugly threats" against himself and his family. Loaiza virtually forecast his death when he said: "I will shed my blood to solve this case; I am aware that I could die in the process."

Loaiza also disclosed that the Catholic Church has played a decisive role in the case, but he did not answer a question concerning whether or not one of the people involved had confessed his crime to a priest; he only said that "God's hand" explained the incident.

Meanwhile, Prosecutor Miranda pointed out that following a conversation with Attorney General Cruz, he agreed to abstain from revealing information to the media concerning the murder of the former chief of staff's grandson, but he explained that this "does not imply a recantation."

The special prosecutor said that he has not dismissed the possibility of sending a petition to the Attorney General's Office asking it to take charge of the case, although Attorney General Cruz would determine that.

Nevertheless, Government Minister Ricardo Arias Calderon highlighted the "efficiency" with which the PTJ and other bodies involved in the Rodriguez case had carried out the investigation.

Arias Calderon said that those "efforts" reveal "unconditional devotion to the investigation and explanation of the murder."

Link PTJ, FP Officials to Crime

PA0105035490 Panama City LA PRENSA in Spanish 29 Apr 90 p 1

[Report by Wilfredo Justavino Jurado]

[Text] David, Chiriqui—Special Prosecutor Rodrigo Miranda Morales has disclosed that "Leslie Loaiza, chief of the Judicial Technical Police [PTJ], is implicated in the murder of former Colonel Marco Justines' grandson."

Miranda said that with the responsibility that has always characterized his statements, he could affirm that other active members of the PTJ and of the current Public Force [FP], as well as members of the extinct Defense Forces, are also involved.

Miranda added that this news "which will undoubtedly shock the Panamanian people even more, reveals that the crime was motivated by greed, because on the day of the invasion, Former Colonel Justines violated the National Bank's vaults and withdrew approximately $47 million, which is why his buddies want to take the booty away from him, even through murder."

Miranda Morales stressed that Loaiza, whom he said has been the most defended person by the government and justice minister [Ricardo Arias Calderon] "has been involved from the beginning in this sordid case, which resulted in the death of a 3-year-old child." Miranda harshly criticized "Minister Arias Calderon's policy of giving his confidence to murderers who today add another chapter to the murky record of crimes and infamies that the dictatorship left as a sequel of its government."

In addition, Miranda Morales complained that the Legislative Assembly's Budget Commission—which he said is controlled by the Christian Democratic Party—mutilated the Special Prosecutor's Office for the Spadafora Case by cutting off its operational expenses.

Although the law specifies that the Executive Branch must provide furniture, offices, personnel, transportation, and economic resources, he has been given an office in such bad condition that it will take months to put it together. "To add more to this disastrous state of things, the payroll was reduced to four officials, which means that the security guards and the summoning officials are the only four officials the Special Prosecutor's Office will be able to hire," he said.

"This is a bloody mockery against the Spadafora family and the Panamanian people, because I will not be able to carry out such important and complex work with my hands tied due to the lack of funds and with such exiguous means," Miranda stressed.

It was not until last Friday that Miranda received from his colleagues Emilio De Leon, prosecutor of the First Judicial District in Chiriqui and Prosecutor Adolfo Mejia, of Panama, all the documents on the investigations conducted so far in connection with Hugo Spadafora's murder.

On that occasion, Attorney General Rogelio Cruz announced that from that moment Rodrigo Miranda would be the Special Prosecutor in charge of investigating the murder of the guerrilla doctor on 13 September 1985.

Meanwhile, Legislator Arnulfo Escalona, who presented the proposal at the Legislative Assembly, said that he was pleased with the progress made in the investigations by the Attorney General and the Government of National Reconstruction. He added that he was confident that the new prosecutor would take all those involved in the crime to court. Rodrigo Miranda thanked Attorney General Cruz for appointing him to that position. He noted that he had a great responsibility with the Republic, and that "if he succeeds in his efforts, the entire country will win, the Attorney General's Office will gain more prestige, and the National Government will have one more accomplishment in its favor."

Miranda recalled that on that occasion he also said that "in this trial I intended to judge Manuel Antonio Noriega, Luis 'Papo' Cordoba, and the rest of officers and subordinates, as well as civilian officials who are implicated in the case as concealers, and that he was also interested in making this trial a trial against militarism in Panama and against militarism of all times."

"I believe my statements decided the fate of the Special Prosecutor's Office," Miranda stressed.

He said that he is worried about the way in which the government has handled the Spadafora case from the beginning, "because since 21 December, the President of the Republic could have issued a decree creating a Special Commission, thus avoiding all the procedures."

"Instead, he left it all in the hands of the Legislative Assembly, washing his hands like Pilate," Miranda concluded.

Argentina

Menem Denies Foreign Pressure on Missle Project

PY2804040290 Madrid EFE in Spanish 0337 GMT 28 Apr 90

[Text] Buenos Aires, 27 Apr (EFE)—Argentine President Carlos Menem today denied that the paralyzation of the medium-range "Condor II" missile project was motivated by foreign pressures. Menem said that the reason for the paralyzation is a lack of funds to carry on with the project.

Brigadier General Jose Antonio Julia, the Air Force chief of staff, has said in the city of Cordoba that the manufacturing of the "Condor II" missile has been paralyzed for more than a year for economic reasons.

In remarks gathered by the official news agency TELAM, Julia added that "everything that has been said, especially abroad, makes me smile because it is incredible for anyone to think that the project could endanger peace in the Middle East or that it could upset the balance of power."

A source of the Argentine Air Force, who wants to remain anonymous, told EFE on 26 April that the government suspended the construction of the "Condor II" missile so that they would be able to sell about 500 IA-63 Pampa airplanes to the U.S. Air Force.

The same source said that a U.S. company will sign an agreement with the Argentine Air Force next month to deliver the advanced training Argentine airplane in the United States.

The five prototypes of the Argentine missile were made in a factory located in a forest of Falda del Carmen, Cordoba Province, about 700 km northwest of Buenos Aires.

A spokesman of Colonel Luis Guerrero, head of the project from its inception shortly after the end of the Malvinas war, told a Buenos Aires daily last week that the missile project was suspended because of an agreement with the U.S. government.

Guerrero added that there was an international campaign against the Argentine rocket "because the United States never forgave us for transfering technology to Iraq that permitted that country to build its own missiles in a much shorter time."

Dante Caputo, Argentine foreign minister 1983-1989, admitted in an interview that was published in Buenos Aires last January that the Raul Alfonsin government suffered "all types of pressures" by the United States for the manufacturing of the "Condor II."

The governments of Great Britain and Israel coincided in their criticism of the project for different reasons, Caputo, 1988 president of the UN General Assembly, admitted. The United Kingdom disseminated a report saying that the "Condor II" was manufactured by Argentina to attack the "Falkland fortress" on the Malvinas Islands.

Argentina is trying to sell two Meko-360 type rocket-carrying frigates, of German origin, to Iran, and is offering his "pampa" planes and the "TAM" (Argentine Medium-size Tank), a "family" of armored vehicles that includes troop transports.

Air Force Chief Downplays Project

PY2704181890 Buenos Aires TELAM in Spanish 1747 GMT 27 Apr 90

[Text] Cordoba, 27 Apr (TELAM)— Brigadier Jose Antonio Julia, chief of staff of the Air Force, has stated that the project for manufacturing the "Condor II" rocket has been paralyzed "for more than a year" for economic reasons. He ruled out the possibility that it could have upset the balance of power.

Julia said that the implementation of the project is "old history." He added: "I am amused by everything said abroad about the project because it is incredible for anyone to think that the 'Condor II' project could endanger peace in the Middle East or that it could upset the balance of power."

Daily Provides Technical Profile

PY3004154890 Buenos Aires CLARIN in Spanish 29 Apr 90 p 7

[Report by Daniel E. Arias]

[Text] Everybody is praising and trying to justify the Argentine Condor II project—the only one we had—now that it has officially died, however, a more technical description of the now defunct project will reveal the gap left by our flimsy space project.

According to the type of fuel used, missiles are classified as solid, liquid, and cryogenic-fueled missiles. The solid-fueled missiles carry their fuel (that burns) and the comburent (that supplies the oxygen to trigger the combustion) on a sticky rod, the combustion of which cannot be regulated. The cake burns completely once the combustion starts. Therefore, solid-fueled missiles are difficult to control although they are much simpler and cheaper. Moreover, they can withstand rough handling and can be easily fired. The military prefers this type for manufacturing short-range missiles.

The liquid-fueled missiles carry the fuel and the comburent in completely separate tanks. The two elements meet in a combustion chamber where they ignite after travelling through pipes. Valves make it possible to regulate the power of the engine. Ground personnel are able to stop the engine and restart it in full flight, in short, to control the missile as they wish by radio control.

The cryogenic-fueled missiles were developed during the 1970's and 1980's. They carry hydrogen and liquid gas which are lighter than any other propellant element but

are also very expensive to refrigerate and to isolate. This technology makes it possible to build very fast vehicles because of their power-to-weight ratio.

They are used to place huge communication satellites in space some 36,000 km above the equator, or to attack a city from the other side of the world.

Liquid-fueled missiles represent the technology developed during the 1950's and 1960's and, to a certain extent, explain Soviet leadership in space research. These old, heavy, cumbersome, and unbreakable missiles do not have fragile equipment and make it possible to place cargo into outer space at a reasonable cost. On the other hand, the large family of U.S. and European cryogenic-fueled missiles continue at an experimental stage and are unpredictable (as the case of the space shuttle and the Ariane IV and V). Moreover, they are incredibly costly.

Too poor to even think of developing liquid-fueled missiles, Brazil and Argentina have tried to place solid-fueled vehicles into orbit for decades. This is not all easy because these missiles are really little more than flying rods [canitas voladoras], but the Castor, which was developed by Argentina in 1978, the Sonda IV developed by Brazil, and the Japanese launching devices developed by ISAS (a university space research agency) have proved to be reasonably manageable beasts.

The Castor represented the phase previous to designing a spaceship and this must be the reason why it mysteriously died in 1978 after a series of incredibly successful tests and after having allowed us to reach an agreement for a "joint-venture" with the FRG to study the atmosphere. The absence of mistakes by a debtor country may be fatal.

When Argentina once again started to discreetly think about outer space (1982-1983), it already had enough knowledge to consider larger projects. In fact, with its one-meter-diameter tube, the Condor could place a 200-kg cargo in a low polar orbit of only 200 km.

This project would have allowed Argentina to have one or more pairs of eyes in space so that it could assess its natural resources, predict the water flow of rivers on which hydroelectric dams could be built, determine where it could find oil and uranium, and cheaply stop illegal fishing on the continental shelf. This possibility could not be accepted by some people.

Brazil, which is less restricted, is about to progress from the Sonda IV to the Sonda V and has openly invited us to jointly develop the spaceship. What will Argentina answer? "We will"? Or will it have a chauvinist attitude? What a pity it did not adopt that attitude now that it is letting the Condor project die in its first stage—it was never tested—when the pressure is not as great as it has been. Worst of it all is that it is not receiving anything in exchange.

Very well then, it is accepted, the Condor will go no further. What is left? Very little. Should we develop satellites exclusively for space research to discover the secrets of the sun, or study the cosmic explosions of X-rays. These issues, if unaffected by economic and political factors, do not disturb anybody. NASA is quite willing to give us room, free of charge, on their rockets for these types of satellites. There is no possibility that we will gain either money or space sovereignty. There is no need to point out that any similarity between this possibility and an independent space research program, such as Brazil's, is mere coincidence.

In the 1980's Argentina allowed its nuclear program, which at that time was the most advanced in the Third World, to be hindered. Now it is allowing its wings to be clipped and, with a stupid smile, is foregoing every opportunity to achieve sovereignty in space. Each attempt to develop technology is labelled arms escalation by those so-called champions of peace, our creditors.

It is quite true, the Condor II may be a missile, as a cargo aircraft may drop bombs and a truck may be equipped with artillery for war. Does this mean that Argentina must stop manufacturing all types of vehicles? This question is not pointless in a country that refuses to make any progress.

Menem on Inclusion of Falklands in New Province

PY2904230090 Buenos Aires DYN in Spanish 1602 GMT 29 Apr 90

[Text] Buenos Aires, 29 Apr (DYN)—President Carlos Menem today denied that the inclusion of the Malvinas Islands in a new Argentine province would cause any conflict with the United Kingdom.

Upon his arrival in Buenos Aires from Corrientes, Menem said that the Malvinas issue is a "dispute" that has been going on since 1983 and that "it will go on until Argentina recovers its full sovereignty" over the archipelago, a sovereignty that "for the time being remains under an umbrella."

The initial official British reaction to the inclusion of the Malvinas, along with Tierra del Fuego, in a new province was one of annoyance. Government circles consider that the measure approved by the Argentine Congress unnecessarily accentuates the differences between the United Kingdom and Argentina over the archipelago.

Although Menem admitted that the measure will not affect the British-Argentine agreement to normalize diplomatic ties, reached by the two countries in Madrid on 15 February 1990, he drew a comparison with the British action of "seizing the resources surrounding the Malvinas Islands."

"This is a dispute that has been going on since 1983, and it will continue until Argentina realizes its full sovereignty over the islands," the chief of state said.

In this regard, Menem added that, although this issue remains under an umbrella, "this does not mean that Argentina cannot take this type of measure, which is similar to the United Kingdom seizing the resources surrounding the Malvinas Islands."

Menem made these remarks to Radio America upon returning this morning from Corrientes, where he participated in the National Surubi Fishing Festival. He took the opportunity to visit a tobacco processing plant and to crown the queen of the Surubi Festival.

The chief of state will remain in Olivos for the rest of the day without engaging into any official activity.

Air Force Remembers Falklands 'Baptism of Fire'

PY3004132090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1216 GMT 30 Apr 90

[Text] Buenos Aires, 30 Apr (NA) — Tomorrow the Argentine Air Force will commemorate the eighth anniversary of its baptism of fire, which coincided with the beginning of the military operations in the 1982 Malvinas dispute.

The ceremony will take place on 2 May in the installations of the First Air Force Brigade, based in El Palomar. President Carlos Menem has been invited.

The Air Force received its baptism of fire in 1982 with a plan to "only carry out operations over land."

An Air Force communique states: "Moreover, when it had to carry out operations over water and of an insular nature during the Malvinas conflict, the Argentine Air Force competently faced the British air and naval force (task force) [two preceding words in English], which arrived with all its power to defend its pretensions in the Malvinas Islands."

It says that "those operations not only awoke respect in all specialized sectors, including the enemy, it also outlined new air-naval strategies that have been incorporated into current military studies."

The document indicates that "in this way new norms have been implemented in the training of pilots who have the priority objective of facing the enemy with high technology and experience in the use of complex weapons systems."

It concludes by saying that "all this technical and professional improvement is evidence that the Air Force is permanently implementing a policy that is considered to be a priority, despite budget problems and a strict economy that is being applied nationwide throughout the country that it serves."

Finally, it remembers those who fell on 1 May during the Air Force's baptism of fire.

Menem Announces Pardon for Former Junta Members

PY3004203290 Buenos Aires Domestic Service in Spanish 1600 GMT 30 Apr 90

[Excerpt] President Carlos Menem has said that he will pardon former junta commanders and former Montonero leader Mario Firmenich sometime in the second half of December.

Asked about the inadvisability of making the announcement a few hours before leftist parties and human right organizations hold their rally at Plaza de Mayo to commemorate Labor Day, the president said he has nothing to hide, nothing to postpone. [passage omitted]

USSR Seeks To Attract Argentine Investors

PY2804184490 Buenos Aires LA PRENSA in Spanish 26 Apr 90 p 4

[Text] P. Telequin, head of a Soviet commercial delegation visiting Argentina to promote trade, yesterday said that "there are good prospects for joint cooperation in the areas of fishing, development of natural resources, and exploitation of herbs in the medical industry."

He mentioned the increasing possibilities for investment in the USSR, for which reason he invited Argentine industrialists to join the plan for the creation of mixed enterprises that the Soviet Government proposed in 1985.

The Soviet representative made these remarks during a press conference hosted by the Soviet industrialists following the first session of a seminar on Argentine-Soviet commerce.

The first session of the seminar is being held at the meeting room of the Buenos Aires City Bank. The seminar, which will end tomorrow, is being sponsored by the Soviet Chamber of Commerce and Industry and by a Soviet commercial mission in Argentina.

The Soviet delegation visited laboratories, factories, and enterprises. The visits mark the beginning of a series of contacts that the group of Soviet industrialists hope to consolidate.

Telequin said: "There is considerable interest in bilateral technical cooperation, particularly now that major commercial blocs are being formed and that strong barriers will consequently be created. This is why it is important for Argentina to think about new markets."

Daniel Solda, the first Argentine businessman to open a mixed enterprise in the USSR, referred to the possibilities for investing in the USSR. Solda's business is a factory that produces gymnasium equipment. According to the new Soviet law, 20 percent of the company's capital belongs to the Soviet interests.

Solda explained that there are now more than 6,000 businessmen in the USSR who can engage in business

deals with foreign countries. In addition, there are 1,500 mixed companies with foreign capital support.

Solda's company, which was opened in 1988, will put its prototypes on the market in June. Large-scale production is due to begin in 1991.

In conclusion, Telequin referred to the possibilities for commercial cooperation in the areas of tanning and dyes.

Coast Guard Captures Korean Fishing Vessel

PY3004181490 Buenos Aires DYN in Spanish 1706 GMT 30 Apr 90

[Text] Buenos Aires, 30 Apr (DYN) — It has been officially reported that early this morning the Navy captured a Korean fishing vessel that was operating illegally in Argentine waters. The crew will be indicted and tried for having violated the national Fishery Law.

This information was released through a Navy communique, which adds that at 0045 [0345 GMT] today the Corvette Drummond captured the Korean fishing vessel Taewoong off the Valdez Peninsular, within the exclusive economic zone (that extends 200 miles from the coast).

When the illegal action was discovered, the crew of the pirate fishing vessel threw their catch over the side and tried to escape, but they were intercepted by the Argentine corvette.

The warship is now escorting the pirate vessel to the port of Quequen, where it will arrive during the early hours of 1 May.

According to Argentine law, the Coast Guard (a security force with police powers in national waters) will draft the indictment to be submitted to the federal courts.

Two Bombs Explode in Buenos Aires; No Injuries

PY3004113290 Buenos Aires TELAM in Spanish 0853 GMT 30 Apr 90

[Text] Buenos Aires, 30 Apr (TELAM) — Two bombs exploded early this morning, one of them in an agency of the Rio de la Plata Bank in the Retiro neighborhood of the city and the other in the headquarters of the Paginas Doradas Enterprise in the Paternal neighborhood. There have been no reports of injuries. Police Precinct 15 is investigating the incident. Their sources told TELAM that an explosive device exploded at 0155 [0455 GMT] in the agency of the Rio de la Plata Bank at 1140 Reconquista Street. The explosion destroyed two windows but no one was injured.

The Paginas Doradas Enterprise at 4715 Juan B. Justo Avenue also suffered a bomb attack at 0145. A window, the glass of the front door, and the lights of the entrance to the building were destroyed.

According to the sources consulted by TELAM, one kg of gun powder, "which would have been enough to kill a person who happened to be passing by or who happened to be entering the building" was used in this attack. The sources added that no one was injured.

Administrative personnel have been inside the building to evaluate the [words indistinct] but they declined to remark on the incident.

Police Precinct 41 is investigating this case and has confirmed that no one was injured.

Group Claims Responsibility

PY3004173490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1540 GMT 30 Apr 90

[Text] Buenos Aires, 30 Apr (NA) — A so-called Che Guevara Brigade has claimed responsibility for the bomb attacks that took place early this morning against an agency of the Rio de la Plata Bank and a printing house belonging to the GTE Enterprise, which publishes PAGINAS DORADAS. The brigade repudiates the privatization of Entel [National Telecommunications Enterprise].

NOTICIAS ARGENTINAS received an anonymous telephone call in which a male voice claimed responsibility for the attacks and indicated that there was a communique of the so-called brigade to be found in the bathroom of a bar at 639 Avenida de Mayo. An NA reporter went to the bar and found an envelope containing the communique which indicates that "the government of Menem and Alsogaray is about to carry out another action in its ruthless policy of subjection to the superpowers" "The unloading of Entel," it adds, which includes clients and those who are waiting for the installation of MegaTel [a telephone system that is being installed in Buenos Aires], "is a fabulous deal that has been cooked up to please the creditors and the Yankees." The document indicates that "it can be perceived through the parody of the tender that the blue-eyed boys are none other than our most important creditors or their direct partners." It stresses that "we want to remind both our fellow countrymen and others that this illegitimate debt was not contracted by the people, who on the other hand have paid it excessively during the years of imperialist exploitation." It states that "the government adds to hunger and unemployment through the auction of enterprises and assets that do not belong to it because they are the patrimony of all Argentines and represent the fruit of their work." "Let those who are preparing to gobble up these two morsels know that the nation will not allow surrender or pillage and it will not forget the humiliation to which we are subject," it adds.

Finally, the communique highlights the fact that the so-called Che Guevara Brigade "early this morning hid out at the GTE Enterprise (a Yankee enterprise that is in league with Maria Julia) [Maria Julia Alsogaray, Entel's trustee] and at the Rio de la Plata Bank, a partner and lackey of imperialist interests. We also greet the workers

and employees of Entel for their just struggle in the defense of the national patrimony and we say to them: The fatherland is not for sale, it is defended." The low powered bombs exploded at 0200 [0500 GMT] 30 minutes apart in an agency of the Rio de la Plata Bank, on the corner of Reconquista and Ricardo Rojas Streets, and in GTE's headquarters, at 4700 Juan B. Justo Avenue.

Seven Foreign Companies Seek To Bid on Entel

PY2904220690 Buenos Aires BUENOS AIRES HERALD in English 29 Apr 90 p 1

[Text] (NA-DYN) The government yesterday finally launched the formal part of its privatization programme when it announced that seven foreign companies had asked to be considered as the new operators of state telephone company Entel [National Telecommunications Enterprise].

Of the fourteen companies who paid $30,000 for a copy of the terms of sale, only seven decided to continue to the "prequalifying" stage during which the suitability of each respective investment plan will be scrutinized.

The envelope-opening ceremony was held in the Public Works Ministry and attended by Minister Roberto Dromi, Entel trustee Maria Julia Alsogaray and delegates from each of the applicant companies.

Dromi thanked the investors for the "confidence" they were showing and said that their interest marked "a proud moment" for the country.

The seven companies are:
- Cable and Wireless (UK)
- Ninex Corporation (US)
- Telefonica de Espana backed by Citicorp (US), Telefonica Internacional Holding and Inversora Catalinas (Argentina)
- Stet (Italy) supported by J.P. Morgan
- GTE (US)
- France Cable et Radio in consortium with Bell Atlantic (US)
- Manufacturers Hannover (US) in conjunction with Cititel (US).

The main surprise in the list was the application by Bell Atlantic and the corresponding disappearance of Bell South. All Bell companies face tough anti-trust laws restricting their right to own telephone services abroad.

The seven companies will now pass to a prequalifying committee made up of Dromi, Alsogaray and Communications Undersecretary Raul Otero.

On 2 May the committee will notify the companies permitted to bid; on 22 June they will be asked to submit their bids which will have to be at least $3.5 billion in nominal value foreign debt bonds (equivalent to around $455 million in cash) and $320 million in cash.

On 28 June the names will be announced of the two operators who will run the north and south sections of the country. And on 8 October, Entel will be formally transferred into private hands.

Communications Restored Following Sabotage

PY2904204090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1845 GMT 29 Apr 90

[Text] Buenos Aires, 29 Apr (NA)—Communications between Buenos Aires and the northern part of the country were restored at noon today after yesterday's interruption which was a result of various attacks on facilities of the National Telecommunications Enterprise (Entel), this reported by Entel government trustee, Maria Julia Alsogaray.

Alsogaray reported that yesterday the entire interior of the country, especially the northern provinces, were deprived of communications as a result of damage inflicted upon two relay stations. So far, services between the federal capital and Tucuman have been restored. This, in turn, has allowed service to Jujuy, Salta, and Santiago del Estero to be resumed.

According to Roberto Lucia, the Entel assistant government trustee, automated equipment in the stations was damaged, and links with the northern part of the country and radio communications [radioenlace] between Canuelas and the western part of the country were destroyed, thereby compounding the communication problems that have persisted for the last five days in the southern part of the country.

Last night, the seriousness of the attacks led engineer, Alsogaray, to request a meeting with President Carlos Menem to review the measures that will be taken in response to the attacks.

"The Entel government trusteeship will use the police to guard the strategic facilities of the enterprise, as these undoubtedly are acts of sabotage that have escalated at this stage in the privatization drive," Alsogaray noted.

Government Trustee on Closure of Radio Argentina

PY2504144090 Buenos Aires TELAM in Spanish 2236 GMT 24 Apr 90

[Summary] Buenos Aires, 24 Apr (TELAM)—Leon Guinsburg, the government trustee at the Federal Committee for Radio Broadcasting, announced tonight that a bankruptcy court has closed down the Radio Argentina offices, and has ruled that Radio Argentina is bankrupt.

Brazil

Disagreement Over Trade Policy Lingers

PY0105033090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Apr 90 p 3

[From the "Notes and Information Page": "Gesture of Goodwill"]

[Text] The announcement that Brazil has been dropped from the United States Trade Representative's list of "black sheep" is welcome news. However, removing Brazil from that list does not end the dispute between the United States and Brazil—for two simple reasons: First, our country continues to be subject to commercial sanctions imposed by the U.S. Government in 1988. Second, the White House is waiting to see how the new imports policy will be implemented and wants the Brazilian "copyrights and patent" legislation changed so that the U.S. pharmaceutical industry can have its patents protected. The first issue is easy to solve by just waiting to see if the measures adopted by the Collor government are in line with the U.S. model. The solution to the second issue is more difficult, because, so far, there is no indication that the specific Brazilian legislation will be reviewed.

Brazil's commercial dispute with the United States is not an easy matter to solve. In principle, the two governments defend free trade, because they know that obstacles to the free circulation of goods help throw the world's economy out of balance and create internal political situations that are undesirable for the community of free nations. In practice, both the Brazilian and the U.S. Governments know that, for one reason or another, they have to defend sectorial interests, which, by the political and social pressure they exert, end up transformed into "national interests." We do not consider it necessary to bring up Galbraith's sharp observation that socialism grows in the United States under the shadow of free enterprise, to demonstrate that the protectionism, so firmly condemned by the U.S. Trade Representative's Office, exists inside the United States—a protectionism provided through subsidies in the area of international trade. We will simply say that the world is not the abode of angels and that international trade is not conducted by saints. U.S. legislators recognize this fact when they look after the interests of U.S. agriculture, the U.S. steelmaking industry, any U.S. sector, but they ignore or condemn the fact when they demand, by imposing tariff sanctions, that countries indiscriminately open their markets to U.S. goods, manufactured or not by "U.S. enterprises of national capital" (because also in the United States the distinction has begun to be made between national capital and foreign capital, particularly Japanese capital).

The preceding considerations are not intended to be critical of the opening of the Brazilian market to the outside. On the contrary, all our editorial struggle has so far been directed to demonstrating the advantages that a greater integration of the Brazilian market into the mainstream of international commerce will bring to Brazilian industry and commerce, and above all to the Brazilian consumer. There is a great difference, however, between this position and the demand for us to do exactly what others want us to do. This difference can be measured in terms of sovereignty (no matter how outmoded that idea might be), level of employment, technological capability and so forth, of the Brazilian market.

The changes that have already been introduced in the Brazilian legislation are a good signal that the Collor de Mello government is determined to open the market to the outside. It should not be expected that in the implementation of the new industrial policy—to remove the Damocles' sword hanging over the head of the Brazilian industry and agriculture (as in the case of Japan that has other conditions for negotiation)—Brazil should forget that industrialized countries happily adhere, in regard to their industry and agriculture, to practices involving subsidies, which have to be compensated for at the customs level if market interaction is to work properly.

The problem of pharmaceutical patents no doubt take us into even more uncertain grounds. Interests are so masked by nationalist rhetoric that it will be difficult to draw a line separating what should be protected from what should be left open to market forces and subject to international conventions. For this reason, the problem cannot be addressed from the perspective of the country that is economically stronger. This type of topic, in which doctrinaire positions (not to say ideologies) and commercial interests are mixed, can only be solved satisfactorily for the parties when the attitude toward dialogue is inspired by comprehension, not confrontation.

Nevertheless, the goodwill gesture from the U.S. Administration should be noted. The effect that gesture will have on Brazil's policies in general and on its new industrial policy in particular remains to be seen.

Government Will Not Unfreeze Basic Food Prices

PY0105030090 Brasilia Domestic Service in Portuguese 2200 GMT 30 Apr 90

[Text] Economy Minister Zelia Cardoso de Mello said today that the government does not plan to unfreeze the prices of basic foods. She disclosed that the experts of her ministry are studying the possibility of relaxing some prices that are part of the industrial chain but added that no decision has yet been made.

Cardoso said that the studies do not include the unfreezing of prices on the list released by Sunab [National Superintendency of Supplies].

[Begin Cardoso recording] Basic foods are essential products. They are a common denominator of Brazilian society. The people with low income are the ones who need basic food for their daily consumption. We never even thought of unfreezing these prices. Despite the fact that there is always a tendency for prices to fall and some prices are below those on the list, we never thought of unfreezing prices. [end recording]

This afternoon Minister Cardoso met her advisors of the Economy Ministry and also the president of the Central Bank to evaluate the prices. Based on this work the government will establish the maximum index for the readjustment of prices, which will be announced on 2 May.

Economy Minister Cardoso will leave for the United States on 4 May to attend the IMF interim committee meeting in Washington. Minister Cardoso will also meet with IMF Managing Director Michel Camdessus to explain the Brazilian position on the negotiation of the foreign debt.

President Collor Appoints Supreme Court Member

PY0105025490 Brasilia Domestic Service in Portuguese 2200 GMT 30 Apr 90

[Excerpt] President Fernando Collor de Mello submitted a note to the Senate today indicating that Marco Aurelio Mendes de Farias Mello has been appointed a member of the Supreme Court, replacing Carlos Madeira, who has retired. This information was released at Planalto Palace by presidential spokesman Claudio Humberto Rosa e Silva. [passage omitted]

Chile

Correa Comments on New Human Rights Commission

PY0105125690 Santiago Radio Cooperativa Network in Spanish 2300 GMT 30 Apr 90

[Report by Manuela Robles]

[Text] It is not true that the president was pressured to establish the Commission for Truth and Reconciliation, nor did he ever reject the idea of establishing such a commission. This comment is included in an official declaration issued by Minister Secretary General of Government Enrique Correa. The declaration was issued following reports published yesterday by a Chilean newspaper. In response to this report, Enrique Correa said:

[Begin Correa recording] The president did not consult any political party about the text of the decree or the corrections that were made. He acted independently when selecting the members of the commission.

It is not true that he was pressured, or that at one point he rejected the idea of establishing this commission.

It is not true that human rights organizations, particularly the Vicariate of Solidarity, disagreed with the establishment of this commission. On the contrary, the president received from all of them valuable suggestions that were included in the decree and in the speech he delivered to announce the establishment of this commission. [end recording]

Correa added that the government's ultimate objective is to achieve national reconciliation.

[Begin Correa recording] It is also necessary to view the ethical dimensions of this commission. It calls for a collective recognition of the historic and moral truth about human rights violations which are a serious trauma to Chilean society.

In view of this, President Aylwin believed it was imperative to establish a Commission of Truth and Reconciliation, a name which in itself carries the government's conviction and ultimate objective. [end recording]

He also said that the commission is authorized to investigate human rights violations from 11 September 1973 to 11 March 1990 because of the obvious fact that there were painful cases of human rights violations during this period.

Correa added: No one doubts that before 1973, Chile experienced a serious political crisis that was characterized by social polarization. But the violence of those years cannot be compared with the appalling incidents that will be investigated by the Truth and Reconciliation Commission. Before this date there were no human rights violations in Chile. The government is determined that there will never again be human rights violations in Chile.

On this occasion, Correa was accompanied by Edgardo Boeninger, secretary general of the Presidency.

Government Might Not Enact Political Pardon Law

PY0105041690 Santiago Domestic Service in Spanish 2300 GMT 30 Apr 90

[Excerpt] The government is studying the possibility of not promulgating the pardon law because it affects some social rehabilitation centers where the inmates have initiated hunger strikes. This information was provided by Interior Minister Enrique Krauss, who said that the inmates' attitude does not seem acceptable:

[Begin recording] [Krauss] As for the situation that affects some social rehabilitation centers where common criminals who have not benefited from the pardon law have gone on hunger strike, the government is considering the idea of not promulgating that law. It does not seem appropriate that through these types of pressure tactics, all inmates serving jail sentences in Chile should be released. It seems to us that the measure adopted by some inmates is not conducive to finding a solution, but, on the contrary, it could produce adverse effects.

[Reporter] [Question indistinct]?

[Krauss] The law has been passed by the National Congress and can now be promulgated by the executive branch. There are options: We might not promulgate it, although this option does not satisfy us, or we could question it because the present conditions under which the law will be implemented are not the most adequate. The idea is for the pardon law to benefit only those it is intended to benefit, and not others who, through pressure tactics, want the pardon law to benefit all inmates in Chile. [end recording]

As for the common criminals, no benefit will be granted if they persist in their attitude, Krauss said. The government has considered helping them by relieving the crowded conditions in some of the prisons, but if their

intention is to pressure the government into granting pardons to all inmates, it will not be accepted. [passage omitted]

* Government's New Council of Ministers Analyzed

90SM0023A Santiago EL MERCURIO in Spanish
1 Apr 90 pp 1-d, 2-d

[Article by Blanca Arthur: "La Moneda's Other Face"]

[Text] They say that the first council of ministers meeting that Patricio Aylwin presided over this week was far from conventional, that work priorities were set in a relaxed atmosphere.

This was not necessarily an indication, however, that some matters were not left unsettled concerning the decisionmaking process in this emerging democracy.

As the president and his men get organized in La Moneda, battles are being fought for shares of power, with the following problem lurking in the background: Through what channels should they conduct their relations with the political parties of both the Coalition of Parties for Democracy [CPPD] and the opposition. Contrary to what one might have thought, the negotiations and the accord between Finance Minister Alejandro Foxley and National Renewal on tax reform brought the situation to a head. And it necessitated some clarifications.

The first and conclusive one: that contacts for legislative purposes will go through the legislative benches, while the cabinet council will be the body to address the issues of the CPPD; the possibility of setting up a parallel political committee, which had heretofore not been ruled out, has thus been closed off.

Key decisions have been made over the past few days about the decisionmaking structure in La Moneda. Some traditional bodies have been established, such as the cabinet council and the council of ministers, which meet alternately on Tuesdays. But there are some new ones too. Five interministerial committees have been set up; they are chaired by the most representative ministers but also each have a technical secretary, who together will be coordinated by the Secretariat General of the Presidency (Segpres).

In that ministry and in the Secretariat General of Government, which are in the midst of restructuring, countless intertwined divisions and advisory offices have also been created, jumbling the tasks of those who are prowling around the corridors of power today.

A new style is not all that one notices in touring the offices in La Moneda. One also senses a great deal of doubt about who the real architects of the administration that began 20 days ago will be and what they will be like.

Segpres: Too Much Power?

The biggest worries have to do with the Secretariat General of the Presidency, which is headed by Edgardo Boeninger. Partisan sectors of the CPPD even have misgivings about the excessive power that may become concentrated in what is known as Segpres. Not only because it seeks to spur and lend consistency to the CPPD's program but also because it looks to be the decisive body in designing strategies and in coordinating the work of every level of the administration, and in carrying it out too.

So far it has begun the negotiations with the political sectors to hammer out agreements in this initial stage, during which the administration is bent on introducing its bills. It was somehow following up on its functions during the period prior to the assumption of power, when Boeninger was the major negotiator inside the CPPD and then one of the negotiators with the outgoing government.

But Foxley's decision to make his contacts independently was the first sign of what some see as a turf battle between Segpres and the rest of the ministries. In spite of denials, it is public knowledge that the Christian Democrats (DC), who want Enrique Krauss, as cabinet chief, to be the political-contact man, are upset over the moves that Boeninger has made.

There is an additional reason for their apprehensions: Most of the former Segpres staff were military men and thus returned to their barracks or moved over to General Pinochet's advisory office, which is headed by the same General Jorge Ballerino. This left most of the positions vacant, and they were quickly filled by representatives who were either involved in drafting the program or are young CPPD specialists who played an active role in the campaign.

Fear of Specialists

No one doubts that Boeninger is one of the key men in the administration. As the architect of the CPPD's program he is the specialist on whom Aylwin is relying to successfully carry out the plans which the parties that supported him have set for themselves. However, there are those who see the danger that these ambitions to coordinate ministries and parties will be detrimental to partisan interests. This is especially worrisome to the Christian Democrats, who fear losing their high profile. In his ministry, in fact, technical skill counts for more than party membership.

An initial example of this is that the number two man in the ministry, Ricardo Solari, although an active member of the Socialist Party, belongs to the group of young Aylwin backers who worked in the campaign regardless of partisan considerations and whom the president wants to have close to him. So much so that he was a candidate for undersecretary of the interior. But since Krauss demanded that the post go to a Christian Democrat, this dynamic and energetic economist took a job

that is just as important or more so, inasmuch as he has to coordinate the various divisions of the new structure of the Secretariat General of the Presidency.

What Is Being Broken In

Not all divisions have well-defined functions, however, and some that do are sources of controversy. Some of them existed beforehand and thus present no problems, and their work is in full swing. This is the case with the executive division that Isidro Solis heads. He is another of the young specialists from the campaign (from the Radical Party, though) and was also a candidate for interior undersecretary; he has become one of the people closest to President Aylwin. And one of his pets, they say. Since he is in charge of the day-to-day running of the ministry, he is among those who go in and out of the president's office most often, bringing him the Supreme Decrees that he supervises for his signing, as well as some of the reports that his advisers draft.

Angel Flisfisch, a Socialist, a symbol of the "renewal faction," and a leading FLACSO [Latin American School of Social Sciences] political analyst, holds a less demanding, though influential post that was also part of the previous structure. As head of the Studies Division, he is right at home: in charge of a wide range of research aimed at mapping out the administration's medium- and long-term strategies.

Judicial and legislative affairs are a special case. Under the military regime the man who carried this burden was prosecutor Fernando Lyon, who was always regarded as one of General Pinochet's closest collaborators. The picture is different today. These functions have been reduced to a judicial-legislative division that is headed by Pedro Correa, one of the rightists in the CPPD (a National Party dissident) who finally found his place in Segpres after being left out of the cabinet. In recent days he has been seen diligently at work in La Moneda, inasmuch as the bills on the special legislative agenda on which such fast work is being done pass through his hands.

Controversial Posts

Two other divisions that Boeninger has created in the administration are more controversial, however. One is the division of political and institutional relations, headed by the young Christian Democrat Ignacio Walker, who made his public debut as a member of the national television panel on the day that power was transferred. Unlike most of the others, Walker does not belong to Aylwin's group of specialists, although he was in charge of coordinating the political and institutional section of the CPPD's program. He is from Cieplan [Center for Research on Economic Planning] and is thus regarded as Foxley's man on the political team. There are rumors inside the palace that his functions are causing some of the friction with Krauss, since it is his job to deal with organizations such as unions, business groups, the church, and even political parties, thus causing some overlapping with the Interior Ministry's job.

Some see a similar overlapping in the other division that Boeninger has created: interministerial coordination. Even though its head, Jorge Rosenbluth, has been unable to take up his post because he is outside the country, this division has one of the most important yet controversial missions: coordinating the sector committees into which the cabinet has been subdivided. A problem has arisen because some ministers are averse to having their activities coordinated by a Segpres body. They want to do so on their own and deal directly with Aylwin.

Krauss and His Mission

Although the entire structure of Segpres, which they want to make a ministry, suggests that the largest shares of power are to be found there, Boeninger himself has stated emphatically that the political chief of the cabinet is the interior minister, Enrique Krauss. He has said so, admittedly, in response to the concerns that have been made public and to the fears being voiced at 8 Carmen Street, the party's headquarters, where they want Krauss to really consolidate himself as the administration's political figure.

As a lifelong Christian Democrat and Aylwin's campaign chief, he is known as one of his trusted associates. Doubts have arisen, however, about his specific area of responsibility. It is true that he chairs both the cabinet council and the Interministerial Political Committee and even that he assumed the vice presidency of the Republic and donned the presidential sash during the chief executive's trip to Brazil.

However, partly because as cabinet chief he has had to discharge functions of protocol (like representing Aylwin at the inaugural sessions of Congress) and partly owing to unexpected developments, such as violence, Krauss has been unable to take hold of the political reins with a longer-term view. Specifically, he has had to cope with momentary law and order problems, where he has not lacked for work.

In performing this task Minister Krauss has been in constant touch with the police services. A Carabineros commander and an Investigations prefect bring him daily reports on what is happening around the country. He also chairs the Security Committee, on which the heads of the pertinent organizations sit, although it has not yet been decided which unit will discharge the functions of political analysis and information for the administration, thus replacing the former CNI [National Information Center].

Right-Hand Man

The Interior Ministry admits that some of its functions are not well defined at present, especially now that La Moneda's teams are being consolidated. For the time being, in any event, one of the key figures in the ministry is Jorge Burgos, a young Christian Democrat who was

the party's undersecretary general. He worked side by side with Krauss, with whom he even shared an office, and has thus become the right-hand man to whom Krauss delegates major missions. Besides serving as cabinet chief, he is also in charge of the Judicial Division, where he heads the ministry's team of lawyers, many of whom have stayed on, a fact that bothers him because he feels that besides their professionalism they had a political commitment. Although Alberto Neuman has been charged with looking into anything that might contribute to the special magistrate's investigation of the "Leigh affair," new attorneys have also been brought onto the staff, such as Humberto Nogueira and Ricardo Jordan, both Christian Democrats, while Rodrigo Asenjo Zegers, the future son-in-law of Deputy Eugenio Ortega and of Senator Carmen Frei, has become assistant chief.

The Undersecretaries

The Interior Ministry has already begun examining one of the administration's most important pieces of legislation: municipal reform. In the meantime, the two undersecretaries are each doing their job in relation with local government: the intendants, governors, and mayors. The interior undersecretary, Belisario Velasco, whose mission is more political, is said to have taken charge here, owing to his executive talents, even though his appointment was among the most unexpected. Although legally he was the first to take office, his was the last appointment reported, due as it was to Krauss' insistence on having a Christian Democrat; this is what sent Ricardo Solari and Isidro Solis, who had been candidates until the very end, off to Segpres. Alongside this DC leader, whose drawback was that he had backed Frei in the party's nomination struggle but whose strong point was his efficient performance during the campaign, is the undersecretary of regional development, Gonzalo Daniel Martner, a Socialist from the technical team of the "no vote" campaign and the presidential campaign. He wound up there both because of his talent and to prevent the Interior Ministry from becoming a Christian Democrat stronghold. There are rumors, however, that he could exercise so much power from his post that some thought is being given to taking authority away from him by way of Odeplan [National Planning Office], even though he belongs to the group of Aylwin Socialists, in whom the president has expressed confidence.

SGG [Secretariat General of Government]: a New Duo

When Aylwin slapped the minister secretary general of government, Enrique Correa, on the back during the swearing-in ceremony, it was an obvious sign that he was one of the president's closest colleagues. He got the post, in fact, because it was the only political ministry that could be given to a Socialist, and Correa was perhaps the only one who enjoyed the trust to hold the job.

These circumstances displaced him from his natural post in the administration: Boeninger's number two man. He had worked with him on the CPPD's program. But since he had also worked with Krauss as the campaign's executive secretary, the story goes that in this sort of behind-the-scenes turf battle Correa has given evidence of his talent as a mediator in a bid to prevent friction between the two other political ministries.

In practice he cooperates with Interior on political matters, sitting on the Security Committee, for example. Alongside Boeninger, meanwhile, he cooperates in technical coordination between the ministries. His post has also entailed other functions, however, such as being the administration's spokesman; this job requires him to have a close relationship with Aylwin, with whom he talks over the stands that they will take on certain issues.

This is one of the functions that he will begin sharing with his undersecretary, Edgardo Riveros, who took up his job at one of the most difficult moments in spelling out the new rules to the undersecretaries. The undersecretary had to be a Christian Democrat, and the appointment would end up going to one of the party's vice presidents, who had not been on its precampaign teams, however. Nevertheless, he has teamed well with Correa and has been in charge of the entire revamping of the ministry, to which end he has had the cooperation of his cabinet chief, Pablo Jaegger. He has also coordinated the proposals to amend the press laws.

Other Key Posts

One of the new men in this ministry who has major influence and direct access to Aylwin is Eugenio Tironi, a socialist sociologist who as the director of the Secretariat of Communication and Culture is working in direct collaboration with publicist Francisco Celedon on a project designed to change the look of what used to be Dinacos [National Social Communication Division]. Another person on this team is also considered to be very close to the president; she is historian Sol Serrano, the director of culture, whom Aylwin wanted as undersecretary, a post that she turned down. Both she and Tironi are involved in drafting guidelines for the president's speeches.

Another sociologist, but from the DC, Enzo Pistaccio, is one more representative who has been appointed to one of the highest posts in the ministry: the Directorate of Social Organizations, where they are aided by Ana L'Homme from the Humanist Party. Although women and young people became independent of this organization, the contact that it will have with various social and trade-union groups is considered important.

The entire team preparing future projects was in charge of organizing the ceremony in the National Stadium.

The Advisers

The new advisory staff of the Secretariat General of Government is, of course, larger than before, and not all of their functions have been clearly defined as yet; nor can we specify to what extent they parallel the advisers of the Secretariat General of the Presidency. The press

director, Maria Paz del Rio, is the link with the mass media, although there are two other press and communications advisers. One is Veronica Ahumada, a journalist who was one of the last to leave La Moneda on 11 September when she was working with Allende. Today she is in charge of writing up for the minister daily reports on what appears in the press. Federico Willoughby's job is less clear. He holds the same post, but his office is not, like the rest, in the former Foreign Ministry but rather in the gallery of the presidents, and he is seen frequently in the courtyards of La Moneda talking on his cellular phone. They say that his basic mission is to secure the support of rightists like in PAC [Center Alliance Party]....

Jorge Cucurella is also involved in communications. His mission is reportedly to evaluate the press and to plan communications campaigns, although people in this sphere say that the ones who really have influence in the upper echelons are the chairman of the board of the paper LA NACION, Raimundo Valenzuela, its editor, Abraham Santibanez, and the director of TVN, Jorge Navarrete.

There are more. Serving as a legal adviser is the former editor of FORTIN, Jorge Donoso, who took part in the study to amend the press laws; and as a political adviser, Eugenio Lahera, another leftist, who worked for ECLA and who was regarded as one of the people closest to Ricardo Lagos. His job is to submit political reports to the minister.

The Personal Cabinet

It is a fact, however, that in the final accounting the person who is really closest to President Aylwin on the entire La Moneda team is his cabinet chief, Carlos Bascunan. He drives to work with him every day, reviewing the day's agenda and reports. Their ties go beyond family (Bascunan is married to his daughter Mariana); the chief executive identifies ideologically and professionally with him, even though Bascunan was a trade union leader at Catholic University and has a rightist family background. A historian, he worked in CERC [Center for Contemporary Reality Studies], along with Sol Serrano, and was already his right-hand man during the campaign.

In La Moneda today he occupies the offices of what used to be the Royal Guard [Casa Militar], and he is the one who actually puts together the agenda of presidential activities and screens information for him. In this job he has the support of Marcelo Trivelli, who is in charge of picking up the reports from the many, varied advisory offices that he has both in the Secretariat of the Presidency and the Secretariat General of Government; from these reports he extracts what he regards as important for the president to know. To this end he also makes his contribution to the press secretary of the presidency, Pilar Velasco, the young newswoman and daughter of the interior undersecretary, who sends an outline of the president's daily activities to her colleagues along "the grapevine."

The group of young people who are involved in Patricio Aylwin's daily activities is rounded out by his private secretary, Marcelo Zapata. They all work in harmony with the men in uniform who because of their mission are just as close or even closer to the president: the aides-de-camp, with whom the president is said to have developed a cordial personal relationship, in keeping with the tradition in Chile.

Colombia

Perez, Carter Offer To Mediate in Peace Process

PA3004192990 Bogota Inravision Television Cadena 1 in Spanish 1745 GMT 30 Apr 90

[Report by Jesus Garzon in Bogota]

[Text] It was learned today that Venezuelan President Carlos Andres Perez and former U.S. President Jimmy Carter are interested in mediating in Colombia's peace process. President Perez agreed to mediate in the search for peace in Colombia. This information was revealed today by FARC [Revolutionary Armed Forces of Colombia] ideologist Jacobo Arenas from the mountains of Colombia.

The guerrilla leader said that the proposal is aimed at requesting international cooperation to consolidate our country's peace process. Former U.S. President Jimmy Carter will be another mediator in the process, Jacobo Arenas confirmed.

[Begin Arenas recording] We want to request international cooperation and support so that we can find the road toward peace in Colombia. [end recording]

Conservative Senator Alvaro Leiva Duran also confirmed Carter's and Perez' mediation in the national peace process.

[Begin Leiva recording] I was in Caracas and I talked with the president for quite a while. I must confirm what Jacobo Arenas has stated. This is evidently the truth. I did not think that this was the time to make the news known, but it has already been reported. He wants to do it. Former President Carter is very close to the Venezuelan president, and their cooperation is welcome if we want to finally achieve peace in our Colombian homeland. [end recording]

FARC leader Jacobo Arenas said he is willing to come to Caracas and begin the peace contacts with President Carlos Andres.

[Hamburg DPA in Spanish at 1751 GMT on 30 April carries a report stating that Venezuelan President Carlos Andres, who is currently on a visit to New York, "today", during a telephone interview with Radio

Cadena Caracol in Bogota, confirmed his intention to participate in the mediation process.]

Government: Mediation 'Unnecessary'

PA0105041090 Paris AFP in Spanish 0308 GMT 1 May 90

[Text] Bogota, 30 Apr (AFP)—The Colombian Government and the main presidential candidates believe that international mediation in the peace effort with the guerrillas is unnecessary. The guerrillas proposed today that Venezuelan President Carlos Andres Perez and former U.S. President Jimmy Carter undertake the effort.

Government Minister Horacio Serpa said that "if there is a real willingness and interest in having the subversive groups rejoin civilian life, the Colombians can do what is necessary."

"Is there a need for international mediation if the government desires peace, and if there is a patriotic spirit and real interest in joining political and democratic activity?" the minister asked.

Serpa added there should be no doubt that the government wants to make the Colombian efforts in attaining peace and coexistence both effective and successful.

"For the time being, international intervention is unnecessary," Serpa stressed after stating that he has no official information concerning Venezuelan President Carlos Andres Perez' willingness to mediate.

After stating that the proposal from the so-called Simon Bolivar National Guerrilla Coordinating Board (CNGSB) is not new, Serpa insisted that "the Colombians can solve their own problems."

Cesar Gaviria and Rodrigo Lloreda, presidential candidates of the Liberal and Conservative parties, voiced similar opinions about the proposal from the CNGSB, which claims to include all the guerrilla groups operating in Colombia.

"I do not think that international negotiators have anything to contribute in this case," Gaviria said, adding that the essential thing is that the subversives show their desire to contribute to peace in the country with gestures of goodwill.

Although considering it feasible, Lloreda said he was opposed to the idea, explaining that if elected, his administration would try to work without mediators and rely heavily upon direct dialogue with the guerrillas.

Escobar Denies Ordering Pizarro Assassination

PA3004200190 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 30 Apr 90

[Text] Medellin Cartel kingpin Pablo Escobar Gaviria this morning sent a letter to DIJIN [Directorate of Judicial Police and Investigations] Director Colonel Oscar Pelaez Carmona stating that he had nothing to do with the assassination of M-19 presidential candidate Carlos Pizarro Leongomez. Escobar Gaviria revealed that on certain occasions he has hidden guerrilla leaders, like Alvaro Fayad and Ivan Marino Ospina, in his personal hideout.

The letter sent to the news media is dated 28 April. Pablo Escobar told DIJIN Director Col. Pelaez Carmona that he did not order the assassination of the M-19 presidential candidate. Escobar Gaviria said he has always been a friend of most M-19 leaders and that he once hid Alvaro Fayad and Ivan Marino Ospina.

Escobar's letter, signed with his own thumbprint, adds that M-19 leaders will not be assassinated when they are escorted by members of his own organization. A similar letter was sent by Escobar Gaviria when Bernardo Jaramillo Ossa was assassinated.

However, it is precisely the coincidences in those two crimes which prompted Col. Pelaez Carmona to state, on 28 April, that Pablo Escobar was the mastermind of Jaramillo's and Pizarro's assassination.

[Begin Col. Pelaez recording] The person who killed Carlos Pizarro was a very personal friend of the individual who killed Dr. Jaramillo. They worked in the same place and they had the same boss, meaning El Zarco. El Zarco has a boss, who is known by the people—particularly the people of Antioquia—and he is definitely Pablo Escobar. [end recording]

Authorities Uncover Rodriguez Gacha Documents

PA3004174690 Bogota Radio Cadena Nacional in Spanish 1211 GMT 30 Apr 90

[Text] Bogota—The Colombian Armed Forces have a dossier on Jose Gonzalo Rodriguez Gacha, alias El Mejicano, who was considered to be the second most important man within the so-called Medellin cartel. The documents have made it possible for the authorities to uncover his political, economic, and military power. As part of the investigation currently under way, members of the 13th Brigade searched a farm owned by Alfonso Ramon Rodriguez, believed to be El Mejicano's successor, and found half a ton of documents hidden in three plastic barrels.

This discovery has allowed the military authorities to approach the Business Coordinating Board and to locate the deeds for 140 properties; registration papers for 30 pieces of equipment and furniture; and registration papers for 270 vehicles. It has been learned that the vehicles range from cranes to bullet-proof Mercedes Benzes. The bank accounts Rodriguez Gacha had in foreign banks have also been uncovered. He had accounts in banks from Hong Kong to the Isle of Man. The investigations have also revealed information on the so-called self-defense groups, signatures of the probable Morena members, and—most important of all—the

names of the 80 men believed to be Jose Gonzalo Rodriguez Gacha's hired killers.

All the documents have been included in three files that are being used by all the state security organizations to investigate this case. The discovery of these documents has allowed the authorities to deal blows to the political, military, and economic structures of the so-called military chief of the Medellin cartel.

El Mejicano's properties are located in Pacho, Pereira, Sasaima, La Dorada, Leiva, Bucaramanga, El Espinal, Medellin, Bogota, and along the coast. These are very expensive properties and it has been said that Hacienda Cuernavaca is worth more than 4 billion pesos.

Ecuador

American Scott Heyndal Kidnapped by Colombians

PA3004233590 Paris AFP in Spanish 2320 GMT 30 Apr 90

[Text] Quito, 30 Apr (AFP)—Ecuadoran Social Communications Secretary Pedro Saad today announced that on 28 April a group of Colombians, dressed as military men, kidnapped U.S. citizen Scott Heyndal, killed a Colombian, and wounded an Ecuadorean.

Heyndal and his companions were traveling aboard a small boat on the San Miguel River in the Amazon region when they were attacked with automatic weapons by the Colombians from a larger vessel.

More on Kidnapping

PA0105005690 Quito Radio Quito in Spanish 2323 GMT 30 Apr 90

[Statement by Communications Secretary Pedro Saad on 28 April; place not given—recorded]

[Text] This afternoon, on the Bermeja River, Sucumbios Province, in northeastern Ecuador, at approximately one and a half km from the Colombian border, a small Ecuadoran flagship working with the Imanco Mining Company, was intercepted by a Colombian vessel from which automatic weapons were fired.

The following people were aboard the Ecuadoran flagship: U.S. citizen Scott Heyndal, Ecuadoreans Luis Antonio Meneses Benavides and Edwin Rodrigo Teneda Parreno, and Colombian pilot Julio Torres. Mr. Torres was killed, and Mr. Meneses was wounded.

The attackers, who wore field uniforms of the Colombian military, boarded the Ecuadoran vessel, and, after noticing that Mr. Meneses was wounded, gave him 100,000 Colombian pesos and then left him and Mr. Torres' body. The attackers returned to Colombia taking Heyndal and Teneda with them. They crossed the border and sailed upriver for about two and a half hours on the Rumiyacu River.

The attackers spent the evening at a camp near the river and forced Mr. Heyndal to write letters to his boss at the mining project, Mr. (Jeff Sino), also a U.S. citizen, and to his wife. Those letters were given to Mr. Teneda, who received 20,000 Colombian pesos. He was then ordered to return to Ecuador and given instructions for delivering the letters.

Peru

APRA To Support Fujimori in Runoff Election

PY3004190690 Buenos Aires TELAM in Spanish 0128 GMT 30 Apr 90

[Text] Lima, 29 Apr (TELAM-EFE)—Luis Alva Castro, secretary general of the Peruvian ruling APRA [American Popular Revolutionary Alliance] party has asked the APRA grassroots to vote for presidential candidate Alberto Fujimori in the upcoming runoff election. Fujimori will contest the runoff election with Mario Vargas Llosa on 3 June.

The United Left (IU), however, criticized both Vargas Llosa—whom they characterized as the candidate of "imperialism and bourgeoisie"— and Fujimori, and has left its followers free to vote as they see fit.

According to a recent survey, Fujimori will win an absolute majority in a runoff election while Vargas Llosa, candidate of the Fredemo [Democratic Front], will obtain 37 percent. According to this survey Vargas Llosa would obtain seven percent more than his total in the first round of 8 April.

Alva Castro, candidate of the APRA party—considered the most important political force in Peru—ran third while Henry Pease of the IU came fourth.

The National Electoral Court (JNE) has announced that the runoff election will be held on 3 June, eight weeks after the first round.

Yesterday, Deputy and Vice President Alva Castro asked the APRA grassroots to vote for Fujimori and against "right-wing candidate" Vargas Llosa.

Alva Castro spoke in Cajamarca, 850 Km northeast of Lima. He announced that the party apparatus, including mayors and the APRA leadership, will "resume their fight against the right; the group that has ruined the country."

"We will not vote for the rich because they have never voted for the poor," Alva Castro said reiterating one of his slogans from the first round of elections.

Political commentators said after Alva Castro's speech that the APRA party "without doubt" endorses independent movement Change 90 candidate Fujimori.

The IU released a communique harshly criticizing Vargas Llosa. The communique says that if he wins he will implement "an ultraliberal program in favor of

national and foreign monopolies. The program will cut workers rights and will implement a repressive policy that will hit the popular and labor sectors particularly hard, under the pretext of fighting guerrillas."

The note adds that Vargas Llosa is "the representative" of imperialism and the bourgeoisie, a sector "historically responsible for the disgrace of our people, for high treason, corruption, immorality, and the murder of thousands of Peruvians. All this is enough to more than justify the people's repudiation of this ultrarightist sector," the document says.

The United Left, considered the second opposition force until the election, said that Fujimori "sold an image of simplicity and identified with the people."

The Change 90 platform differs from that of the Fredemo on job stability, the "shock" economic policy, and the proposal on a free school system, although the Change 90 position "on the foreign debt and the non dialogue [as received] do not anticipate changes for our people," the IU states.

"In sum, the people should be aware of these points so that they can freely make a responsible decision when the time comes to cast their votes," the note concludes.

The next president will assume power on 28 July for a five-year term, replacing APRA President Alan Garcia.

INE Chief Announces GDP Growth in March

PY3004214690 Lima Television Peruana in Spanish 18 GMT 30 Apr 90

[All figures as heard]

[Text] Felix Murillo, the National Institute of Statistics [INE] chief, today announced that the GDP grew 7.1 percent in March 1990, compared to March 1989. He added that national production grew 10.3 percent, compared to that of last year. Here are his remarks:

[Begin recording] [Murillo] I must report to the public that for the sixth consecutive month national production has been increasing, compared to the same months a year earlier.

In March, production grew 7.1 percent, compared to that of March 1989. Production throughout the entire first quarter of 1990 grew 10.3 percent, compared to the first quarter of 1989.

With the exception of the mining sector, which has decreased by 6.5 percent throughout the first quarter, all sectors have experienced increases.

[Reporter] However, there are people who point out that production under this government has decreased significantly.

[Murillo] Well now, during the past two years, between 1988 and 1989, production decreased about 20 percent. However, during the first two years of this government, 1986 and 1987, production growth reached about 19 percent. If we take this year into account, the balance of productive activity may be favorable.

Pay attention now, the index of the country's global production in the first quarter of 1990 is 102, taking 1979 production as 100. In the first quarter of 1985, the production index was 98. If we compare the first quarter of 1990 with the first quarter of 1985, I can tell you that there is five-percent growth. [end recording]

Economist Warns of 'Profound Internal Chaos'

PY3004171490 Buenos Aires DYN in Spanish 1556 GMT 29 Apr 90

[Text] Lima, 29 Apr (AFP)—Central Bank President Richard Webb and other Peruvian economists have said that hyperinflation must be controlled to prevent a "situation of profound internal chaos with unpredictable consequences" from occurring "within a short period of time."

The inflation rate this month will be around 40 percent, and the accrued rate during the past five years of Alan Garcia's social democratic government will reach one-million percent, Webb stated. Webb is an independent who published a statistics annual report on the characteristics of the economic collapse.

Felipe Ortiz de Zevallos, another economist, has predicted that between April and May, Peru will break the world record in terms of the longest inflationary period in history. "Nothing harms the people more than a high rate of inflation over such a long time," he said.

Webb added that the real inflation rate is much higher than current figures because the government has dammed up the economy in an unprecedented way and Garcia has no time left to attempt a recovery because he has only three months left in his term in office, which will end on 28 July 1990.

He said that recent efforts made to reflect real prices have been insufficient. He referred to Central Bank figures that reveal the following outdated price increases: wheat, 122 percent; milk, 45 percent; rice, 45 percent; electricity, 139 percent; and gasoline and other fuels, between 69 and 82 percent.

According to the specialized magazine SEMANA ECONOMICA, the delay in updating the exchange system is also considerable. On Friday the official dollar rate stood at 15,614 intis, and 28,000 intis on the free market. The exchange rate is currently 53,614 intis, the magazine reported.

Webb explained that hyperinflation and the crisis are worsening because Garcia's administration persists in not completing things and in handling the economy politically while wasting currency and domestic savings.

Economy Minister Cesar Vasquez has admitted that on 6 April the balance of net foreign currency reserves was

negative $62 million, and that right now there are only $800 million in gold bars and medals listed as "liquid international assets," available for pawning or sale.

Webb added: "Seventy percent of the people's savings have disappeared to finance inflation. If this situation prevails, another 20 percent will be lost, and only 10 percent will remain." He warned that this situation cannot continue and that "general despair could spread since prices could conceivably begin to climb every half hour."

Another economist, senator and former economist, Javier Silva Ruete, Garcia's former ally, has criticized the government's negligence, warning that as things are now "it seems that the government will do nothing to correct any of these problems."

MRTA Militants Arrested; Investigation Pending

PY3004141090 Lima Television Peruana in Spanish 1100 GMT 30 Apr 90

[Text] General Edgar Suclla Flores, head of the police antiterrorist division, has confirmed the arrest of a group of subversives linked to the MRTA [Tupac Amaru Revolutionary Movement] near the Congress building. Suclla said that the police will investigate if any of them had participated in the murder of Felipe Santiago Salaberry, late president of the Peruvian Institute of Social Security.

[Begin recording] [Reporter] This morning the police reportedly arrested one MRTA militant linked to the assassination of Felipe Santiago Salaberry. Is that true?

[Suclla] Several individuals have been arrested. One of them is been investigated.

[Reporter] But he was found carrying a notebook with details that include drawings, etc., of the kidnapping of Delgado Parker [a Peruvian businessman who was recently released after being held for nearly seven months by the MRTA].

[Suclla] You know more than I do.

[Reporter] That is what was published in the press today.

[Suclla] No. There are some documents, but the investigation currently under way will determine their importance. We have a legal term of 15 days to release the result of our investigations.

[Reporter] Is the Dircote [Counter Terrorism Division] investigating the case.

[Suclla] Yes.

[Reporter] How long will the investigation take to determine....

[Suclla] We will release the information after we complete our investigations, search his house, and complete other related checks. [passage omitted] [end recording].

Uruguay

President Lacalle Discusses Early Progress

PY2704194890 Montevideo BUSQUEDA in Spanish 19-25 Apr 90 pp 48, 5

[Interview with President Luis Alberto Lacalle by unidentified reporter; date and place not given]

[Excerpts] [BUSQUEDA] Half of the 100-day deadline for the approval of the laws you consider essential for your administration has expired. So far only one law—the fiscal adjustment—has been approved. The others are being debated while the deadline is running out.

[Lacalle] The coalition, or "agreement," was not what we expected. I suppose the same thing happens in all aspects of life, whether you want to be a soccer champion or be president or have a title or get married. There is an anticlimax. I anticipated the "agreement" with a bit more optimism than I should have as a veteran of these things. I was expecting something more fluid. Not something automatic in Congress, which I do not believe in, but a firm majority setting the pace. Anyway, it was a record to have the fiscal adjustment approved in the first 30 days of the administration.

After Easter, the law of public employees and the law creating the Housing Ministry will be approved. There are still some laws difficult to approve but perhaps in 100 to 122 days we will have the VAT [value-added tax] approved. [passage omitted]

[BUSQUEDA] The fiscal adjustment law caused two general, though limited strikes in just over one week. Do you not believe that regulating the right to strike is going to make the unions put up an even greater struggle?

[Lacalle] From the time this administration began, some of its adversaries, I would even say enemies, clearly established their positions. The union movement gave absolutely no credit to the government and I believe that this was detrimental to the unions themselves. The Communist Party, in an unprecedented event, paid for television advertising time against the government. Therefore, we have a clear picture of what side people are on. We have no surprises, our script is well known. We are an open book to the people. Therefore, I see no reason to suspend the government measures under the threat of a conflictive situation.

Let me reiterate something surprising: a few days ago I read the comments of a leftist legislator, I believe he belongs to the PGP [Party of the Government by the People], who referred to the fiscal adjustment law as "a law without political support." What a way to distort events! That law had the support of more than 60 deputies and 22 senators. Where is the lack of political support? Was that reported by a poll? The only poll I have is the election held every five years. That law does indeed have political support. We are in a representative democracy.

[BUSQUEDA] Is regulation of the right to strike going to have political support?

[Lacalle] I cannot predict, but I believe that particular law already has a majority for approval. [passage omitted]

[BUSQUEDA] Let us assume that it has political support but what is going to happen if the country is paralyzed?

[Lacalle] This is an issue Uruguayan society will have to answer: what is the legitimate power in the country?

[BUSQUEDA] What did the labor minister mean, in relation to the union movement, when he said that efforts are being made to make changes outside the system?

[Lacalle] This is part of Uruguayan politics. There are centers of power which are not legitimate public powers, but sometimes they have more power than the political institutions. Our wish is that the exercise of that power become legitimized by the individual worker in his freedom to choose, by secret ballot, and this is an argument in favor of regulating the right to strike.

[BUSQUEDA] Are you going to have the legitimacy of public institutions respected?

[Lacalle] This is why I took the oath to defend the Constitution. I would commit perjury if I do not comply with my duties to have the Constitution respected. [passage omitted]

[BUSQUEDA] The Buenos Aires newspaper AMBITO FINANCIERO recently reported that Argentine savings account holders were transferring their accounts from the official Uruguayan banking sector to the private banking sector. This report was based on information on deposits made in an Uruguayan state bank: the Sugarloaf Bank.

[Lacalle] I am aware of this incident, and I have expressed my concern to the proper authorities because this constituted a violation of a rule that prohibits the disclosure of confidential information. This rule will be strictly upheld. Anyone who discloses this kind of information is committing a crime. Uruguay must safeguard the confidentiality that the financial system enjoys at all costs because one of our objectives is to be—in the good sense of the word—a financial and bank service market. The employee who supplied this information was not only undermining his own job, but also a future national activity. I believe this is a very serious thing.

[BUSQUEDA] There has been some uncertainty over these banking services because of the measures adopted in Brazil by Collor de Mello and also, to a lesser extent, because of the measures adopted by the Argentine Government. There are those who fear that similar measures may be adopted in Uruguay.

[Lacalle] I believe that members of the government's economic and financial team are a guarantee in themselves. Time will tell and people will realize that national financial matters are handled in a serious and realistic manner.

[BUSQUEDA] But is there a possibility that such a plan may be implemented?

[Lacalle] I do not believe there is any such risk, at least while I am president. [passage omitted]]

[BUSQUEDA] Does the government intend to grant future salary increases based on inflation estimates and not on the inflation rate of the previous four months.?

[Lacalle] Yes, it does. This administration is betting on a decreasing inflation rate, and our actions will be based on this principle. If these objectives are not achieved then the administration will be punished. In doing this we believe we are showing our confidence in the success of our economic program. [passage omitted]

[BUSQUEDA] Do you foresee the enforcement of a popular measure?

[Lacalle] A popular, or a demagogic measure?

[BUSQUEDA] A popular measure.

[Lacalle] All these are popular measures. If someone believes that the country can continue like it is, let him try. The administration is willing to take the responsibility of saying unpleasant things. I was elected to try to improve the way of life in this country. Sometimes you have to adopt harsh decisions to do this.

If by popular you mean to try to seek greater benefits for the people, there is nothing more popular than the decrease of inflation. I do not believe it is popular to continue implementing a tax that decreases the real purchasing power of salaries and pensions by eight or 10 percent per month. If the measures we are adopting or proposing to adopt are not implemented, the situation will be worse, and we will end up having an inflation rate of 500 percent.

By halting inflation, in addition to eliminating this harsh tax that burdens salaries and pensions, we will also attract investments which will generate increased business activity and thus increased production and job sources. All these are popular measures.

[BUSQUEDA] There are many who are skeptical about the government calendar and the government's decision on expenditure cuts.

[Lacalle] This is the most difficult problem this administration is facing. But this is also the most difficult problem Menem, Gorbachev, Bush, and Violeta Chamorro are facing. There is nothing that can be better justified than expenditures. This overgrowth tends to appear both in the private and public sector. But it is more difficult to control and reduce in the public sector.

Today, in view of the holiday on 19 April, we will hold a meeting to review all the expenses submitted by the government and autonomous government companies, and specific measures will be adopted. We do not believe this will be an easy job. But I would be unable to propose what you call unpopular measures if the government did not establish limits on its expenses, avoid useless expenditures, cut its expenses, and act according to its possibilities. This administration is determined to show its good faith. [passage omitted]

[BUSQUEDA] Will you sell gold?

[Lacalle] This is an issue that must be decided only after assessing how we stand with our international obligations. First we have to fulfill the IMF stages and later undertake negotiations with creditor banks—I believe that because we did a good job we will be able to achieve good results. We will consider the selling of assets only after this problem is solved. [passage omitted]

Defense Minister Brito Assesses Situation

PY2704221290 Montevideo LA DEMOCRACIA in Spanish 20 Apr 90 pp 12, 13

[Interview with Defense Minister Mariano Brito by unidentified reporter; date and place not given]

[Text] [LA DEMOCRACIA] How would you evaluate the first weeks of your administration, especially taking into account the relationship between civilians and the military, which is something that has worried the Uruguayan people for many years and was very difficult during the transition period?

[Brito] The first weeks of my administration show a surplus. By saying this I wish to point out, in the first place, that everything we are trying to do, and everything we may have achieved, is the result of the efforts of all those who have worked during the past five years. What we have today must not be regarded as the exclusive achievement of those of us currently in the Defense Ministry. In the second place, taking into account the aforementioned, I want to point out that I am very happy to hold this post. I feel very happy and very honored. I feel honored that the president of the Republic chose me and for being able to work with the people I am working with. I am referring, naturally, first to my under secretary; second, to the commanders in chief of the Armed Forces; and third, to all my subordinates. I have found people who work with determination, enthusiasm, and a desire to do things properly. At this moment we are working on a serious plan, which is difficult, to reduce expenditures. We are gradually meeting the guidelines established by the Planning and Budget Department of the Economy Ministry. Therefore, I can say that from that point of view I am very optimistic because there is a decidedly positive atmosphere within in my ministry.

[LA DEMOCRACIA] Minister, since you talked about reducing expenditures, could you give us some details of what you plan to do in this regard?

[Brito] We are trying, and we have adopted concrete measures, to positively respond to the guidelines and instructions given to this ministry, as well as others. We are working within these guidelines. But we are also aware that there are sensitive areas related to the basic duties of the Armed Forces in which cuts must be carefully studied. One cannot just say: Well, let us cut expenditures. Why not? Because there are very sensitive areas which are essential to the country. This might be the case in areas other than my ministry, in other ministries, in other areas under the executive branch's jurisdiction, which have similar situations. What are we trying to do? We are trying to reduce expenditures in a reasonable, rational manner, taking into account that the reduction in some areas can be greater and less in other more sensitive, more vital, and essential areas. In other words, we need to reasonably distribute these reductions.

[LA DEMOCRACIA] Does the reduction meet the 15-percent goal?

[Brito] Precisely. We are trying to meet that 15 percent, but if it can be even greater in some cases all the better. What for? So that we may be able to take due care of those areas which I mentioned as vital and essential to the Armed Forces and the ministry.

[LA DEMOCRACIA] You paid a visit to Congress a few days ago. Did you sense what the politicians' main concerns are regarding the Defense Ministry?

[Brito] We could regard our visit to Congress as our first contact with the matters of concern, because it was, in effect, our first visit. As it was our first visit, it was devoted to becoming acquainted with the people with whom we are undoubtedly going to closely, and probably on many occasions, discuss common issues. Therefore, rather than an exhaustive and close assessment of the various subjects that link the Chamber of Deputies Defense Committee with the Defense Ministry, we discussed various issues in general, especially the subject of national defense. As you know, and as the president of the Republic recently disclosed, we want to define the national defense doctrine, for the next 20 years, which is a reasonable period of time since we are almost in the 21st century.

Considering that we are living in a changing world in which there are major scientific and technological advances, it is necessary to design a national defense doctrine which addresses these advances along with other new developments that will undoubtedly occur. This approach, however, should not downplay the importance of the permanent objectives of national defense, which are set forth by the Constitution, and which I described to congressmen as the greatest of our national traditions.

I should say the same thing about the visit I paid to the Senate Defense Committee, to which I made a general description of the defense sector. At the meeting with the committee, a decision was made to analyze the details of each area in subsequent meetings, depending on the

progress made in the work by Congress. What I would like to say in connection with this issue, is that there is a very positive environment and that it will be a pleasure to work with Congress on defense issues.

Faithful to our duty, which stems from our own functions, we stated that we will do all in our power to expedite that work, to improve the results of the work by the Ministry of National Defense and by the Armed Forces, which are part of the ministry. I have the honor of representing the Armed Forces, in keeping with the Constitution.

[LA DEMOCRACIA] The new national security doctrine is an obviously important issue. How will this doctrine be formally implemented?

[Brito] Those general highlights involve study, meditation, and a gradual approach toward the results. This will not be accomplished by a single man. It calls for cooperation and joint efforts by qualified people—whose cooperation we shall be pleased to request—and by prudent people with a high intellectual level who should be acquainted with our situation, who should know the Armed Forces, and who should devote their efforts to the design of a national security doctrine.

[LA DEMOCRACIA] You have said that technological progress is important. What are the areas of the ministry which, in your opinion, should have such technological advancements? For example, the defense or control of the territorial waters is very important because of the economic significance of fishing....

[Brito] I would rather tell you that before talking about priority sectors we should analyze all the Defense Ministry areas which demand such technological and scientific updating. I believe this is just another chapter in the necessary modernization of our country. It involves coordination with scientific and technological progress at a world level.

This approach is obviously valid for the Army. There are very important sectors of the Army which will need to incorporate technological and scientific advancements. It is also valid for the Navy and the Air Force.

I believe that in addition to their essential duty of providing for the national defense, the three branches are also involved in social support work which benefits the community. I have been able to see and to summarize the results of that work in graphs and figures which, obviously, are at the public's disposal.

This social work has such magnitude and significance, and is so important for the common good, that the Armed Forces should be provided with new technological and scientific means to continue with their social work.

I will mention, as an example, a case that was recently made public: A specialized Army unit removed the earth for the construction of a large storage facility—so to speak—for garbage, where bio-gas would be produced following appropriate treatment.

How could the Army possibly carry out that sort of project, which is obviously significant to the common well-being of the people, if it did not have the technological and mechanical means for such an important job? Therefore, what we will seek is that the Armed Forces, without detriment of their basic duties, may continue to carry out projects for the well being of the people and that they may have access to the scientific and technological means available for this purpose. This is what we are, and will continue doing. We do not think we are doing something outstanding, nor something in need of praise, we are simply fulfilling our duties. We would not fulfill our duties as head of the ministry did we not think about these things.

[LA DEMOCRACIA] Taking into account the budget cuts, and the new budget law, we could probably talk about what may happen to those areas that were particularly publicized during the previous administration. For example, former Minister Chiarino talked about the excessive number of employees in the Defense Ministry; about the number of troops. How do you respond to that?

[Brito] I have a concrete opinion on such issues. Between 1985 and 1990 the government operated according to Congress' decision to reduce troop strength. This reduction was carried out and the number of troops today is a result of the decision by Congress. According to the information I obtained before coming to the ministry, from the moment the president offered me this ministry, and before I was sworn in on 1 March 1990, I would say that it is not a matter of reducing the number of troops. At this moment I have data that endorses my belief that it is not a matter of reducing troop strength. Quite the contrary, I think it is a matter of improving their salaries and other benefits so that they may effectively develop their professional skills, in a professional manner, so that they may fully and professionally devote themselves to their duties. The Armed Forces, the same as any professional group, have their values. But as we all know, these values are subject to a worthy pay for the job done.

[LA DEMOCRACIA] There has been much talk about the professionalization of the Armed Forces and the importance of military training. In your opinion, what is the situation in that area and what should be modified, if you think that something should be modified? What do you think must be done to professionalize the Armed Forces?

[Brito] To talk about changes means that one is fully acquainted with the changes that must be made to the training programs. I have been in this ministry for just over one month. Therefore, I would be inclined to implement what I learned while working in the university. Whenever we had to make changes in the university curriculum we formed commissions, analyzed the problems carefully, before reaching a decision. I think that

the case of the Armed Forces training programs is very important and it would be good to make changes if we are determined to promote better training. But I will be especially careful not to make hasty decisions, not to be influenced by slogans, because this is a very serious subject. When you are dealing with education you must be very careful because it involves a large portion of a person's life. Once an individual becomes a professional he devotes his life to work in his profession, and at least a large part of life is devoted to work. Therefore, if we are going to change the curriculum, if we are going to renovate it, it must be gradually improved and we must heed the opinions of experts.

Official Source Says Country's Sitution 'Normal'

PY2704172490 Montevideo EL DIA in Spanish 11 Apr 90 p 7

[Text] An official source has told EL DIA that the Interior Ministry "has no information concerning alleged terrorist movements." It added that the situation in the country is "normal."

On referring to the creation of an alleged National Liberation Front the source said: "We known nothing about any such movement." The source denied that the government has ordered "the Armed Forces to conduct antisubversive operations," as reported by the bi-weekly MATE AMARGO."

The high-ranking official, who asked not to be identified, reaffirmed the constitutional principles regarding the commitments of the Interior Ministry and of the Police, as far as security and public order is concerned. He added: "There is nothing that leads us to think that something similar is being organized."

Central Banks Releases Economic Statistics

Foreign Debt Increases

PY2704205290 Montevideo EL DIA in Spanish 18 Apr 90 p 11

[Summary] The Central Bank has reported that the foreign debt increased 1.7 percent during 1989. The state gross foreign debt was $4.313 billion as of 31 December 1989 in contrast to $4.239 billion on 31 December 1988.

Balance of Payments Surplus

PY2704204290 Montevideo EL DIA in Spanish 18 Apr 90 p 11

[Summary] The Central Bank has disclosed that the public sector deficit in 1989 reached 311.648 billion new pesos which equals 6.1 percent of the GDP. The balance of payments in 1989 showed a surplus of $94 million.

Lower Inflation Promised

PY0105124090 Montevideo Radio Carve in Spanish 0000 GMT 1 May 90

[Text] Central Bank President (Ramon Diaz) has confirmed in Congress the government's commitment to keep this year's inflation under 35 percent. This information was disclosed by Deputy Arturo Heber of the Herrerista faction of the Blanco Party. Heber added that the Central Bank president informed the finance committee that issues of currency will be restricted.

Heber summarized the report of the Central Bank president who refused to make any statement.

[Begin recording] [Heber] The report focuses on National Treasury Bonds, in other words on an issue in which many lawmakers and the people in general are interested: the recent changes in interest rates on local currency deposits. To reiterate; the new rates are simply an acknowledgement of reality. Nobody wants high interest rates but this is a temporary economic situation.

The Central Bank president made it very clear, however, that long-term interest rates are not high. The high interest rates are applied on 60-day deposits which proves that the government is firmly committed to curbing inflation over the medium term.

[Reporter] Deputy Heber, the other day Dr. (Ramon Diaz) said that the monetary and exchange policy will be restrictive. Did he explain what restrictions he had in mind?

[Heber] On more than one occasion Dr. (Ramon Diaz), in his capacity as the monetary authority, has said that one of the causes of inflation has been a disorderly issuance of currency, meaning that excessive amounts of currency have been issued resulting in an upsurge of inflation. [end recording]

Report Discusses 'Crisis Committee' Activities

PY2704235490 Montevideo LA HORA POPULAR in Spanish 20 Apr 90 p 20

[Report by Eduardo Varela]

[Text] A sort of "crisis committee" reviews the political situation and periodically produces a prospect of events that could take place as a result of decisions made by national authorities. This "crisis committee," made up of high-ranking Interior Ministry officials, receives the technical support of experts in economic, political, and trade union affairs, who assess the impact of government projects in the various social sectors that will eventually be involved with the projects.

The operational sphere of the crisis committee revolves around the National Directorate of Information and Intelligence [DNII], which also supports the specialized crisis committee with DNII officials who are vocationally oriented toward sociopolitical problems. Official police sources have told LA HORA POPULAR that this task has been described by the government as being of "particular interest" and that orders have been issued to provide all the required cooperation from the different sections of the state apparatus. "This does not involve spying on civilian society," the source made it clear. Reporting on the general guidelines of the assigned function, the source described it as a "strategic analysis to take preventive—and not repressive—measures." Some of these preventive measures could even precede decisions by the executive branch. The same source told our morning newspaper that, for example, "there is concern" about a proposal to implement a regulation on the right to strike as it is believed "it can create more problems than those it intends to solve." Concerning this issue, the source said that several meetings have been held with Labor and Social Security Ministry officials, exchanging opinions in an effort to dilute, to some extent, the government's emphasis on an issue that could contribute to irritate relations with the trade union movement, according to the source. "Under current circumstances, we deem it more positive to place emphasis on the implementation of collective bargaining agreements, seeking to extend this practice in the relations between workers and employers," the source suggested.

Meetings with businessmen are also regularly held. They have served to collect ideas that are subsequently synthesized with the ideas collected from trade union organizations, trade union leaders' remarks or documents released by the different trade unions. We can illustrate this with a judgment passed by a businessman leader regarding the regulation of the right to strike: "There would be no more right to interfere if strike measures are formally decided by secret vote, abiding by the law. In this case, not even the Ministry or anyone else could get involved ..."

The recent fiscal measures that were sanctioned by Congress and promoted by the new administration were also assessed for their possible impact, as a result of the greater tax burden imposed on the population. There are some mid-term projections that are not considered as "risky" for public tranquillity, unless some inflationary effects are unleashed in an uncontrolled way. "The government claims that it will not loose control of inflation, but one never knows. Events in Argentina are yet too fresh to stop worrying about the possibility of a social outburst," the same police source indicated.

As exclusively reported by LA HORA POPULAR, Inspector General Saul Humberto Claveria, the former San Jose deputy police chief, took over as DNII director on 18 April. Claveria, a police officer with a long record, replaced Inspector Maximo Costa Rocha, who has not yet been given a new assignment.

Presence of Argentine Armed Groups Discussed

PY2704164590 Montevideo LA HORA POPULAR in Spanish 20 Apr 90 p 20

[Text] There is a good deal of high-level concern over the presence of Argentine paramilitary agents in Uruguay. LA HORA POPULAR has learned that members of the DNII [National Directorate of Intelligence and Information] have obtained information that agents linked to the ultra-right sector frequently enter our country. These people enter Uruguayan territory the normal way, but controls are often "flexible." They probably carry false documents ("yuta" in police jargon), and they do not always stay in hotels.

Several reports have been provided about these agents, but there is no accurate information that can even help identify them. Some reports state that they stay just a couple of days in Montevideo and that ultra-rightist agents might be alternately entering the country. According to some speculation, the Argentine situation is "the breeding ground" for these agents' activities. Some of the more prominent agents reportedly chose Uruguaya Square to hold meetings to discuss coordination, exchange information, and even handle money obtained from banks to purchase weapons from international suppliers. Modern weapons recently seized in our country probably come from such sources.

Unidentified people have reported to the DNII special personnel that some agents who entered the country might have been seeking alleged Uruguayan contacts with members of the self-dissolved, All for the Fatherland Movement (MTP). Enrique Gorriaran Merlo, who is wanted by the courts, headed a small MTP faction responsible for the senseless attack on an Argentine Army unit headquartered in La Tablada in January 1989. A police source told LA HORA POPULAR that "it is nonsense to think that this could happen," thus alluding to relations among former MTP members, Uruguayan political organizations, or isolated individuals. The source said: "We are concerned about the fact that this situation may cause disruption. Everything is calm here, and we would like them to go as far as possible from our country."

Broad Front Faction 'Prepared To Use Violence'

PY3004204090 Buenos Aires DYN in Spanish 1650 GMT 30 Apr 90

[Text] Montevideo, 30 Apr (AFP) — Eleuterio Fernandez Huidobro, the main leader of the former Tupamaros guerrillas, on 30 April termed as "truly rubbish," a call to "join an exercise in violence" and to "act" illegally" that was made by a leader of a tiny allied organization. [quotation marks as received]

Mario Rossi Garretano, leader of the ultraleftist Oriental Revolutionary Movement [Moviemiento Revolucionario Oriental—MRO], this weekend harshly criticized

the Broad Front leftist coalition, which includes communists, socialists, former Tupamaros guerrillas, and the MRO.

Rossi Garretano also stressed during the MRO's 29th anniversary ceremony that the MRO cannot renounce the use of violence, and that it is necessary to be prepared to use violence.

These remarks provoked an avalanche of criticism across the political spectrum, but especially from the left, a sector that is currently denouncing alleged military exercises that are linked to the hypothesis of "internal conflict."

Document on Gas Pipeline Construction Signed

PY2804192290 Montevideo Radio Carve in Spanish 0930 GMT 28 Apr 90

[Excerpt] Uruguayan and Argentine authorities have laid the groundwork for the construction of the gas pipeline linking the two countries. That proposal was reported by Radio Carve several months ago.

During a meeting in Paysandu the authorities signed a document bearing the name of that coastal city. They reaffirmed the two countries' decision to build the pipeline and asked the two governments to adopt appropriate measures for carrying out the feasibility study. [passage omitted]